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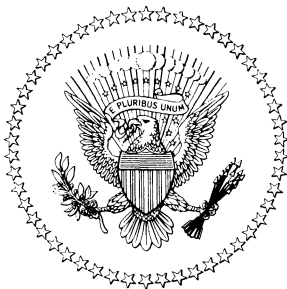
Gerald R. Ford

*Containing the Public Messages, Speeches, and
Statements of the President*

1976-77

(IN THREE BOOKS)

BOOK II—APRIL 9 TO JULY 9, 1976



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| Secretary of State..... | Henry A. Kissinger |
| Secretary of the Treasury..... | William E. Simon |
| Secretary of Defense..... | Donald H. Rumsfeld |
| Attorney General..... | Edward H. Levi |
| Secretary of the Interior..... | Thomas S. Kleppe |
| Secretary of Agriculture..... | Earl L. Butz John A. Knebel (November 4) |
| Secretary of Commerce..... | Rogers C. B. Morton Elliot L. Richardson (February 2) |
| Secretary of Labor..... | John T. Dunlop W. J. Usery, Jr. (February 10) |
| Secretary of Health, Education, and Welfare. | David Mathews |
| Secretary of Housing and Urban Development. | Carla A. Hills |
| Secretary of Transportation..... | William T. Coleman, Jr. |

*Dates in parentheses indicate date sworn in.

Gerald R. Ford

1976-77

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Remarks at the Alamo in San Antonio. April 9, 1976

Thank you very much, Senator Tower, Mayor Cockrell, honored guests, ladies and gentlemen:

May I at this time express my very deep appreciation and gratitude to Mayor Cockrell for the very thoughtful and very beautiful gift on behalf of the people of San Antonio. I can say without any hesitation or reservation that both Betty and I will prize this very, very highly. And I thank you very, very much.

At the outset, may I thank the San Antonio Bicentennial Committee and the Daughters of the Republic of Texas for making this memorable occasion possible. It is a tremendous honor for me to join all of you in a new commemoration of the cradle of Texas liberty. These hallowed grounds were already in physical ruins when Colonel Travis sounded his battle call for the people of Texas and all Americans in the world.

But because of a single great battle, the Alamo has put on the immortality of history. More than a shrine to Texas valor, more than a landmark of American courage, the Alamo is a monument to human freedom. Here the eyes of Texas and the attention of the world focused on more than 180 remarkable men who gave all they had to give in the defense of liberty.

The names of some of these very brave defenders are written large on the pages of history. Travis and Davy Crockett and Jim Bowie, among others, have entered the domain of American legend as well as lore. But these were only a few of the more than 180 valiant men who waited out a deadly siege and fought against incredible odds for days on end in the defense of the Alamo, of Texas, and our great liberty in America.

We rarely hear of Joseph Bayliss or Antonio Fuentes or Robert Musselman or Charles Zanco, but these men were here too. They fought and died with the same courage that marked their more celebrated compatriots and their names too, have been written on the rolls of honor that history reserves for only a few. Some of these men came here believing one hour of glorious life is worth an age without a name. Others thirsted for battle with the Napoleon of the West, Santa Anna, but all of them came to the defense of this capital fortress knowing full well that they would meet victory or death.

Like America's Revolutionary heroes a half a century earlier these were men yearning for freedom and a new life. And like those earlier patriots, these men

were struggling not only for the priceless treasures of liberty but for a land of incredible beauty as well as abundance.

As one early Texan wrote, "It does not appear to me possible that there can be a land more lovely." With so much worth defending, it is no wonder that when Colonel Travis was issued a demand for surrender, he answered that demand forthrightly with a cannon shot. It is no wonder that more than 180 rugged men made so valiant a defense here, 140 years and 1 month ago.

This great epic of courage, this great epic of defiance, which is the story of the Alamo, is without doubt a story quite familiar to those of you who live in the shadow of this chapel or in the city that surrounds it. But whether the story is old or new, it is to us and will always be a towering source of inspiration to every American.

In our time, far removed from the sounds of ferocious battle which filled this courtyard in 1836, we look back in honor to the more than 180 men who did battle here and thereby nobly advanced the cause of Texas liberty and independence.

All Americans who have gone to battle in defense of liberty share a kindred spirit with these men of the Alamo. Since 1776 Americans have paid a high price for the freedom that each one of us and all of us enjoy. We have paid it in the universal currencies of courage and sacrifice and blood.

We are thankful today that America is at peace and is blessed with freedom. We rejoice that this day finds no Americans in combat anywhere on the face of the globe. And yet, we know that [in] peace, as in war we must stand ready to defend liberty. Brave as these men were who fought in this immediate area and despite the heavy casualties they inflicted on their advancing enemy, the garrison that fought here fell at last before an army of superior size and superior strength. In global terms, America must never give away such an advantage to any potential enemy, and we never will.

All of our courage, all of our skill in battle will profit us very, very little if we fail to maintain the unsurpassed military strength which this dangerous world demands of us. But neither do vast stores of armaments alone constitute America's greatest strength. Our greatest strength resides within our own hearts, hearts filled with pride and past achievements, hearts filled with hope for a promising future, hearts filled with courage for challenges that stand before us.

It is the duty of every one of us, whatever our age or race or station in life, to ensure that we have something worth defending in America; a land of liberty and opportunity and justice, a government that guards our rights, defends our shores, protects our safety, and sustains our progress, and a people of independ-

ent spirit, determination, and faith. As we dedicate ourselves again here today to the defense of these priceless treasures, we know that they are the same ones which others fought for on this site 140 years ago.

May we always share their courage, and may Americans always be inspired as we have all been by those thrilling words which echo still in this old courtyard—"Remember the Alamo."

Thank you very much.

NOTE: The President spoke at 12:15 p.m. at the Alamo Plaza, where he received the medallion of the city of San Antonio from Mayor Lila Cockrell.

He was introduced by Senator John G. Tower, chairman of the Texas President Ford Committee.

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Remarks and a Question-and-Answer Session at a Republican Party Reception in San Antonio. April 9, 1976

Thank you very, very much, John, and Seagal Wheatley and all of you good Republicans:

I have been in San Antonio 3 or 4 hours thus far. I have been here a number of times before, but I am deeply grateful for the warm reception and the opportunity to meet many, many more wonderful people from San Antonio.

Let me say something that I feel very deeply about. It has been my privilege during the period of some 25 years in the House of Representatives to have many, many contacts with Members of the Senate on both sides of the aisle, as well as a good many Members of the House. You are so fortunate from the State of Texas to have John here—John Tower—as your United States Senator. I am deeply grateful for his strong support, and I would be most appreciative and grateful for any support that any of you can give me in the forthcoming race.

But let me give you some thoughts as to what has happened in the 19-plus months that I have been privileged to be President. Let me assure you it hasn't been the easiest time. Nineteen months ago, if you will refresh your memories a bit, you will recall that we were suffering inflation of about 12 to 13 percent. We were on the brink of the worst recession for some 40 years in the history of the United States, and within a very few months after I became President, unemployment soared, employment plummeted.

And there were all kinds of quick fixes and various panic proposals coming from the other side of the aisle—the liberal side of the Democratic Party—to try and get us to do this or do that, to try and solve our economic problems.

The facts are, we didn't panic. We knew we had to solve inflation, and we knew that the best way to do it was to do it with a firm, steady course. We knew that big government, expensive government was a principal cause of inflation in this country. And so, we repeatedly tried to hold down the lid, as far as the Congress was concerned, as they came from Capitol Hill with one bloated budget proposal after another.

John mentioned the vetoes. In 19-plus months—well, it's 47 now, I vetoed one yesterday. I vetoed one yesterday, that if they sustain it, it will save us \$150 million. But the more important thing, out of the 46 that I vetoed, Congress has sustained 39 of them. And in the process of sustaining 39, we have saved the taxpayers \$13 billion. And I might add parenthetically, I think the Congress, either the House or Senate, will sustain the one that I vetoed yesterday.

But the net result of a firm, steady course that relied on the private sector taking us out of the recession, instead of trying to get us out of the recession by expanding the Federal Government, has proven sound. We are now well on the road to controlling inflation. We have gone from over 12 percent inflation down to 6 percent or less per year, and it is going further downward.

At the same time, we are increasing employment, and we are decreasing unemployment. We got a report last Friday, not this Friday, that we had gained 375,000 new jobs in our economy in 1 month, the month of March. The statistics showed that we had increased the total number of jobs in the last 10 months by 2,600,000 and that the total employment in the month of March for the country as a whole was 86,700,000, the most people employed in our country's history. So we are on the right road. And we have done it with the emphasis on the private sector, which is the crux of what all of us as Republicans believe in and a good many of our conservative Democratic friends believe in.

Now, let's take a look at the world situation. When I became President, most of our allies weren't sure what our attitude would be. Our adversaries were looking to take an opportunity to perhaps exploit the situation, and so what we had to do right from the outset was to convince our allies—Japan and NATO and elsewhere—that we would have a firm foreign policy and a strong military capability.

And I can assure you from my many contacts in Europe, in the Pacific, and elsewhere that our allies believe America is firm and America is capable of meeting any crisis that would be thrust upon us. And from my contacts with those adversaries that we have, I think they know that your President is a pretty good Yankee trader. We haven't given up anything, and we don't in-

tend to give anything up as far as the capability of protecting the United States is concerned.

And now one other comment. For the last 6 years, the Congress of the United States has cut a total of \$32 billion out of military appropriation requests. And that action by the Congress for the last 6 years has caused me, a year ago, to submit to the Congress the largest military budget in the history of the United States. It was necessary to do that to reverse the trend that the Congress had forced upon the previous President and the previous administration.

Unfortunately, last year the Congress cut that budget \$7½ billion. So, in January of this year, I submitted again the largest military budget in the history of the United States, \$112.4 billion—\$14 billion more than the bill that Congress finally sent down to the White House.

That legislation, or that appropriation—I think Congress has finally awakened—is needed and necessary. But let me assure you this country is militarily ready, alert, well-trained, well-equipped; is unsurpassed by any other power in the world today, and we are going to keep it there.

One final word, I took the oath of office and almost from the first day I decided this: I would never promise more than I could produce, and I would produce everything that I promised. And that is the crux of what this administration believes in.

We are not going to kid anybody. We are going to call them as we see them. We are going to stand tall and strong. We are going to be honest, candid, forthright, and we are going to work like the devil for the good of this country because all of us love the liberty, love the freedom, love the system. It's the greatest country in the history of mankind. We are proud to be an American, and we are proud of America. Thank you.

This young lady has a question.

QUESTIONS

GOVERNMENT FUNDS FOR HOMOSEXUAL CONFERENCE

[1.] Q. Yes, sir. I have a problem. There is money coming from your office to fund something in San Antonio that many people are very unhappy with. We need your help, sir. That is funding for the homosexual conference.

THE PRESIDENT. It is my understanding that an organization here was awarded by the National Endowment of Humanities to the extent of \$5,000. We are looking into it. We understand—I can't give you a firm answer today—we are look-

ing into it. We understand there are allegations that in the application that was made, that there were some misstatements made. Whether that is true or not, I can't honestly tell you here this morning. I can only assure you that if there were misstatements made to justify the award, appropriate action will be taken.

PANAMA CANAL

[2.] Q. Mr. President, please do not give away the Panama Canal.

THE PRESIDENT. Sir, I don't think you have to worry about that. The United States, as far as I am concerned, will never give up its defense responsibilities and capabilities. It will never give up the right of navigation and so forth. You just don't have to worry.

JOHN CONNALLY

[3.] Q. Thank you for recognizing me. Will big John Connally be your Vice President? [*Laughter*]

THE PRESIDENT. Some very attractive lady said, "No, make it Anne Armstrong." [*Laughter*] Well, Anne has got a big job, you know. We sent Anne over to be the first U.S. Ambassador of Great Britain in the history, and I think from what I hear, she is wowing them over there. [*Laughter*]

Let me say we have a number of outstanding, potential Republican candidates for Vice President. We have some in the Congress. We have some Governors; we have some former Governors. Certainly, John Connally has outstanding qualifications, having served as Governor of this State for 6 years. He was Secretary of the Navy, Secretary of the Treasury. He is an outstanding person, but I think it is premature to make any comment. In the first place, I have to get nominated myself. [*Laughter*]

Q. President Ford, are you taking credit for all of the savings, the \$13 billion, is that plus interest or does that include interest?

THE PRESIDENT. Well, that is money that we didn't spend because the vetoes were sustained. So, if we didn't spend it, we are saving not only the cash, but the interest that would have had to be paid if we had to borrow more. We are going to keep on vetoing, vetoing, and vetoing, because that is the only way we can teach that irresponsible Congress, or a majority of them.

COMMUNISM AND NATO

[4.] Q. Mr. President, if the Communist Party keeps going in Italy, how will that affect our NATO relationship?

THE PRESIDENT. Well, I have said, not only while in the United States but I have spoken very directly to the top people in NATO coming from the 15

NATO nations, that any Communist government would thoroughly undercut, undermine the aims and objectives of NATO. And if there is a Communist government in any one of the NATO countries, I think it would have a seriously adverse impact on the justification and the reason for NATO. I can only say with emphasis, we vigorously oppose any government in NATO that would have a Communist head or control—vigorously.

SENATOR HUBERT H. HUMPHREY

[5.] Q. Mr. President, I happened to turn my television set on yesterday just in time to see Mr. Humphrey talking. He referred to your football playing days and talked about you seeing the world upside down. He is a very gracious fellow, but I think if he had been sitting in that hot seat for the 19 months you have been in it, I think the world would *be* upside down. [*Laughter*]

THE PRESIDENT. I am going to recruit you as a speechwriter. [*Laughter*]

Q. Mr. President, would you initial your portrait for me?

THE PRESIDENT. I tell you what, there are 400 people here.

Q. I won't tell anybody. [*Laughter*]

THE PRESIDENT. We will try and do it, but if I do it for one, I have an obligation to do it for everybody. But if no one else will ask me—[*laughter*—or the other alternative is to send it to the White House, and we will sign it there and get it back to you. Let's see how we do it.

Q. Give our love to Betty. [*Laughter*]

THE PRESIDENT. Thank you, I will. She did very well not only for herself but the Ford family last night. I was very proud of her and she is coming to Texas next week, I guess. You know she campaigns hard for me, trying to get my votes up to her polls. [*Laughter*]

Here is a nice young lady.

FOSTER GRANDPARENTS PROGRAM

[6.] Q. I'm a foster grandparent. I attended a White House conference, and I was a member of the National Conference on Aging.

THE PRESIDENT. The foster grandparents children is one of the outstanding programs. It costs relatively little, and it calls on the great talent and the experience of grandmothers and grandfathers who go to disadvantaged homes primarily and help with the care and the upbringing of these unfortunate children. And I congratulate you, it is an outstanding program.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you all very, very much. It's nice to see you.

NOTE: The President spoke at 2:08 p.m. in the VIP Room at the San Antonio Civic Center. In his opening remarks, he referred to Senator John G.

Tower, chairman of the Texas President Ford Committee, and Seagal V. Wheatley, cochairman of the San Antonio President Ford Committee.

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Remarks at a President Ford Committee Reception in San Antonio. *April 9, 1976*

Thank you very much, Art, Senator John Tower, all of you wonderful President Ford workers:

I have had a wonderful 5 or 6 hours here in San Antonio—the warmth of the reception every place we have been, the enthusiasm that we find here—I just think we might surprise somebody. [*Laughter*]

At the outset, let me express my deepest personal gratitude and appreciation to John Tower, who has been an outstanding person to take over the leadership and the head of the President Ford Committee. John, I can't thank you enough for this help and assistance.

But let me also indicate my deepest appreciation and gratitude for all of you who have made those 5,000 calls here in San Antonio and all of you who have made them all over south Texas.

You know, we started behind up in New Hampshire; we started way behind in Florida. We—in both cases, because we had good leadership in our organization, because we had the enthusiasm of the people who manned the phone banks, the people who did all the other things, and because we had sound policies to begin with that gave the American people in those 2 States, as well as they will in the other 48 States, the kind of confidence that makes them feel as though the next 4 years will be better and better—that is why we won—leadership, enthusiasm, and the right programs. When we come down here to Texas, we are going to perhaps start from behind, but we are going to surprise some people.

Whenever Betty or I go to a phone bank setup—whether it is in New Hampshire or Florida or Illinois, Wisconsin or North Carolina—we try to indicate to the people who are on the phone the answers that they should give to people who raise questions.

And I suspect as you man phones, you inevitably, on one occasion or another, will get a question. Let me give you very quickly—I think in broad perspective—what we have done in the last 19 months. We got a record, and it is a

good record. When we took over in August of 1974, many Americans were apprehensive. They had lost faith in our government. Our friends abroad weren't sure what our policies would be; our adversaries around the world were wondering whether that was an appropriate time for them to maybe take some initiatives. And, at home, we were experiencing the worst inflation in this century, 12 to 14 percent per year, and we were on the brink—literally on the brink—of the worst economic recession in 40 years.

Now, it wasn't the easiest time to become President. But we decided that instead of trying to give any quick fixes and short political answers to the problems, that we would carry out a firm, constructive course and take our chances in politics. So, instead of trying to spend our way out of the recession, we decided that it was better to give the free enterprise system, the private sector, an opportunity to meet the challenge of inflation and to provide more jobs. And it worked.

We have taken inflation, from over 12 percent, down to 6 percent or less, and it is going further down. We have gone through high unemployment and decreasing employment, but the trend has changed. We have now regained 2,600,000 jobs in this country in the last 10 months. We got 375,000 new jobs last month, and we now have 86,700,000 people gainfully employed, the highest number of people working in this country in the history of America. We are going in the right direction. Employment is going up and unemployment is going down, and we are going to be going there forever.

Now, let me indicate to you how we stand around the world. I have had extensive conferences with our NATO Allies in Europe. I had a very successful trip to Japan, our strong ally in that area of the world. I have had numerous conferences with other people, other leaders in various parts of the world. They trust America. They believe that we are standing firmly with them, and they know that we have the capability to stand with them against any adversity or any adversary. So, we are now in a position of having firmed up our alliances around the world, and, at the same time, we have convinced our adversaries that this is no administration to fool around with.

I think that any adversaries we have around the world know that this President is a good Yankee trader. He is going to stick up for the best interests of the United States and is not under any circumstances going to give it away.

Now, if anybody asks you, "Is the United States number two?" let me point out, in strategic arms we have more nuclear warheads by far than any other nation in the world. Our ballistic missiles are more accurate and more survivable. We have more strategic bombers by far than any other nation in the world. And

we have the best SAC [Strategic Air Command] crews to carry out the missions, if they ever have to. So, no one should have any apprehension at all. The United States is unsurpassed in military capability, period.

And one final word. When you take our unsurpassed military power and capability, and add to it the industrial capacity of this country and the agricultural productivity of this country and the scientific and technological superiority that we have, and add to it our moral and spiritual and religious leadership that this country has, the United States of America is number one. And we are going to keep it there.

In conclusion, I thank John Tower, I thank Art, I thank all of you. And Betty is going to be down here. She is going to try and express her appreciation by being in Texas. And Jack is going to come down here, and maybe we can get Susan and the others to come down here.

But we are all indebted to you. We are not going to promise anything that we can't produce, and we are going to produce everything that we promise. That is a good credo by which any President ought to live up to.

Can I add one postscript? You know I have had to deal, as John knows, with a pretty tough Congress. They outnumber us better than two to one in both the House and the Senate. Of course, we always have the quality—they can have the quantity. [*Laughter*]

But in the 19 months that I have been President, I vetoed as of yesterday 46 bills; 39 of those bills were sustained by the Congress. And as a result of my vetoes and strong people like John Tower helping to sustain them, we saved the taxpayers \$13 billion. That ain't hay. So if anybody raises any questions—are we conservative?—that is an alltime record for a President. And I would add a second postscript: We are going to veto some more—veto, veto again and again and again.

Thank you all very much.

NOTE: The President spoke at 2:35 p.m. in the Rehearsal Hall at the San Antonio Civic Center. In his opening remarks, he referred to Art Troilo, Jr.,

member of the Texas State Executive Committee, and Senator John G. Tower, chairman of the Texas President Ford Committee.

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Exchange With Reporters on Arrival at Dallas, Texas.

April 9, 1976

GOOD AFTERNOON. It is nice to see all you good people from Dallas and the surrounding area. Why don't you ask me some questions?

REPORTER. Mr. President, don't you think Dr. Kissinger is becoming somewhat of a problem, if not a liability, by the mere fact that Governor Reagan has made him such an issue in this campaign?

THE PRESIDENT. I think we have to look above the politics of the situation. We have to look to see whether our foreign policy has been successful or not. When you look at the United States around the world, you see that we have been successful, that we have been the calming and successful influence in the Middle East. We have strengthened our alliances in Western Europe. We have strengthened our position in the Pacific. Dr. Kissinger has been an excellent Secretary of State. He has implemented the policies which I have directed. And when you look at success, I think you understand why there are, you know, politics a bit.

Q. How are you going to do in Texas at the primaries?

THE PRESIDENT. We are very encouraged. We recognize that we started from behind, but I was tremendously impressed with the people in the organization in San Antonio, and I am told the same is true in many other areas. Under the leadership of Senator John Tower we have a great person to give us the inspiration and to get the workers pulling together and doing a job. So, we might surprise somebody.

Q. Can you win this primary without Governor Connally's support?

THE PRESIDENT. I wouldn't have any idea. That is up to the voters of the State of Texas.

It is really nice to see you all. I will be glad to answer any other questions. It is nice to be here. We are looking forward to the rest of the day here. We are going to have a busy day tomorrow, but Texas is a great State, and this is a crucial primary, and we are going to work very hard. We have good leadership with John Tower. We have wonderful workers. We are delighted to be here, and compete very strongly.

Q. Mr. President, who is ahead right now?

THE PRESIDENT. I think we are probably a little behind, but you know underdogs often win, and we are going to do our best to prove that here.

Q. Will John Connally come around?

THE PRESIDENT. I wouldn't have any idea. You will have to talk to John.

Q. Do you consider Texas do-or-die for Ronald Reagan? Do you think he will win here?

THE PRESIDENT. Well, we really don't know what they are going to do. Our plans are to go right to Kansas City full steam ahead. After we win in Kansas City, we expect to go full steam ahead between then and November 2. So, we

really have no way of knowing what their plans might be. We can only count on ours.

Thank you all very, very much. It is nice to see you all.

NOTE: The exchange began at 4:30 p.m. at Love Field.

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Remarks and a Question-and-Answer Session at Southern Methodist University in Dallas. April 9, 1976

Thank you very much, Jim. Senator John Tower, Mayor Harrison, Dean Coleman, Mr. Cox, Mr. Tatum, Dr. Grayson, Mr. Crow, fellow Mustangs and guests:

Thank you very much. That concludes my speech. [*Laughter*]

Obviously, I am delighted to have an opportunity to address this forum of the SMU School of Business Management and distinguished members of the business community in Dallas.

I do have a wonderful recollection of the opportunity to be at Moody Coliseum last September to recognize SMU's 60th anniversary. I was highly honored to receive an honorary doctor of law degree, so I do feel a special affinity for, and deep belief concerning, SMU.

As you know, Jim Zumberg is an old and very dear friend of mine. He used to be a constituent of mine in a more limited sense. He was the original president and founder, really, of Grand Valley College, which is now a school of some 8,000. But he took it from scratch, and made it into an outstanding educational institution. And I know he will continue in that same leadership capacity here in your community.

Jim, it's great to see you again.

At this time a year ago, as many of you will remember, America was at the bottom of its worst recession in 40 years. But what you may not recall is some of the most gloomy predictions that some of our very distinguished Americans were making about our economy at that time.

George Meany,¹ for example, said we were sure to reach a 10 percent unemployment by summer. My good friend, Hubert Humphrey, said unless we took some drastic actions within 60 to 90 days, we would be approaching the dimensions of a depression. We heard some of America's most respected economists calling for extensive wage and price controls. We heard some of

¹ AFL-CIO president.

America's most prominent politicians calling for massive new Federal spending programs and for the creation of hundreds of thousands of jobs—Federal payroll jobs.

The administration—I am glad to say in retrospect—and I thought I was right then—rejected all of these suggestions and all the other suggestions that were the wrong medicine for the American economy. Common sense told me that the right course to pursue during economic recovery was to stimulate growth, growth in the private sector in order to restore our strength.

So, we proposed, and the Congress accepted, a major tax cut for individuals to increase their purchasing power. We proposed tax incentives for business expansion and job production in the private sector, where five out of every six jobs are found in America. And we proposed extended unemployment insurance to those Americans who had unfortunately lost their jobs to the recession, to help cushion the hardship until our national economy was revised and our strength recovered.

These were very practical, commonsense policies, and they have worked. Last week, for example, it was announced that we gained 375,000 more jobs in the month of March alone, bringing the total American work force to 86,700,000. More Americans are gainfully employed today than ever before in the history of the United States. And I would say that is a pretty good comeback.

In fact, everything that is supposed to be going up—the number of jobs, real earnings for the American worker, sales, investment, industrial production—all of these are on the increase. And the Department of Commerce reported today, retail sales for the month of March were up a strong 2.8 percent from February.

Furthermore, everything that is supposed to be going down—the rate of unemployment, the rate of inflation, the rate of growth in Federal spending, even some prices—are going down. The rate of inflation has been cut almost in half from 12.2 percent to 6.3 percent. The rate of growth in Federal spending has been cut from 11 percent, which was the rate of growth for a period of about 10 years, to 5½ percent, which was what I recommended in the budget that was submitted in January. This is progress in trying to get the Federal budget under control.

And let me illustrate, for example, quite specifically. When we were putting the budget together in November and December, for submission to the Congress in January, I spent roughly a hundred hours with the top people from every Department, the Office of Management and Budget, and we found that if there wasn't a single new program added by Congress or anybody else, just

because more people would be qualifying and because of escalation clauses, there would be greater expenditures. There would be a growth in Federal spending from June 30 of this year to June 30 of next year of \$35 billion without a change in the law. That is about 11 percent growth in Federal spending, and that was the case in every fiscal year on the average for a period of 10 years.

Now what we did was to say we can't afford that growth, and we cut it in half from 11 percent to 5½ percent. But believe me, it wasn't easy. A lot of things that had been going along and along and along got cut, and a few got eliminated. But I think we are on the right track. And I might add parenthetically, since taking office in August of 1974, I have had the privilege of vetoing 47 bills. In fact, number four bit the dust yesterday. But the net result of 46 of those vetoes is that where 39 of them have been sustained by the Congress, we have saved the taxpayers \$13 billion.

Now, if we can keep that kind of pressure on and hold Federal spending down, we can balance the Federal budget in fiscal year 1979. We can have another major tax cut the same year, in addition to the one that I recommended, take effect July 1 of this year. And we can get the Government out of the private money market, further easing pressure on interest rates in getting the Federal treasury out of competition with the private sector. We can help the private sector expand. We can pull in the reins of the Federal Government for a long, overdue change.

These are some of our economic plans for the future. For the present, I can say to you with confidence, without any hesitation or qualification, we are on the road to a new and lasting prosperity in the United States, and we are not about to be sidetracked now by any quick fixes or gimmicks sent down to the Oval Office from the Congress in 1976.

The success of our economic policies proves once again that it doesn't take a huge government bureaucracy to solve every problem in America. We must never forget one very fundamental truth—that a government big enough to give us everything we want is a government big enough to take from us everything we have.

To guard against that danger of ever-increasing control by the Federal Government, I proposed a 5-year 9-month extension of what we call general revenue sharing, a program that has worked very well for the last 4 years. And your good mayor can give you the specifics as to the impact here in Dallas, and your county officials can do the same, and so can your State officials.

If there is one thing that the Federal Government is good at, it is collecting taxes—[laughter]—as we will all learn once again in about 6 days. If there is

one thing the Federal Government is not good at, it is trying to decide the best local solution to a local problem.

So, the general revenue sharing program lets the Federal Government collect the money and then give it back to local and State units of government to spend as they see fit under the watchful eye of local voters. And I think they keep a pretty good eye on you, don't they, Mayor Harrison? [*Laughter*]

But anyhow, by the end of this year, the city of Dallas will have received more than \$56 million under the revenue sharing program which began in 1972. Dallas County will have received more than \$20 million, and all of Texas will have received \$1.5 billion.

Under the extension of the revenue sharing program that I proposed last summer to the Congress, Dallas would receive more than \$85 million; in the next 5¾ years, Dallas County almost \$35 million, and all of Texas would receive approximately \$2 billion.

Now, you will be interested to note this: that the total cost of the Federal Government's administration of the revenue sharing program is only one-eighth of 1 penny of every dollar distributed to State and local units of government. That is what I would call holding bureaucratic overhead to a bare minimum, and I intend to see that that trend is encouraged in other Federal programs in the next 4 years.

Now, we all know that it wasn't an all-powerful government that made America the great Nation that it is today. It was people—people. I want to ensure that the Government is always the capable servant, but never the master of the American people.

And as we look to the future in this age of giant institutions, it is our common responsibility to see that the individual freedom is strengthened in America. In this climate, the American people grew to greatness. This is the climate we must preserve, restore in America as we enter our third century of independence. If we take this as our common task and our common goal, we cannot and we will not fail.

I thank you, and I will now be glad to answer the questions.

QUESTIONS

AGRICULTURAL PROGRAMS

[1.] Q. Mr. President, do you believe that the Government should stop supporting farm subsidies in order to let the market become or get more back to a state of equilibrium? That is my question.

THE PRESIDENT. When I was in the House of Representatives, I consistently opposed the kind of farm programs that we had where the farmer was producing for storage and the Government controlled the surpluses.

In 1972, as I recall, we got rid of that kind of control program, and today the farmers in wheat and soybeans and corn, produce for the marketplace. And there are no Federal subsidies in those programs. The net result is our agriculture as a whole, in these particular areas, are doing far better than when they had surpluses with the overhang and the depressing effect on the American farmer.

The programs we have now are basically sound agricultural programs, with one or two exceptions. I will be called upon next year, when the present law expires, to recommend an extension. It is my intention to recommend the extension of the kind of agricultural legislation we have now for corn, for soybeans, for wheat, and several other commodities, and to try to get the Congress to do the same thing in the one or two exceptions where we are still struggling with the old programs.

Q. Thank you, sir.

THE PRESIDENT. You can remember, this is a figure we oftentimes forget. Ten years, Uncle Sam was paying over \$365 million a year in storage costs for corn and wheat, which is \$1 million a day. Today, we pay nothing in that regard.

The American farmer controls his product, sells it in the market, and the Federal Government doesn't have the heavy bureaucratic control that he had for too long a time. And the net result is American agriculture today is healthier than it has been in a long, long time.

REFORM OF WELFARE AND FOOD STAMP PROGRAMS

[2.] Q. Mr. President, I have to identify myself to tell you that I am also a graduate of the University of Michigan. [*Laughter*] The question: I would really like to know about the Big Ten next year. But I have another one.

THE PRESIDENT. We didn't do too badly in basketball. [*Laughter*]

Q. Or football. [*Laughter*]

THE PRESIDENT. Except we didn't win. [*Laughter*]

Q. Second is better than nothing.

What I would like to know is, do you have any workable plan on the boards right now in order to make our welfare system and the food stamp systems become more accountable?

THE PRESIDENT. I strongly believe we have one of two roads to follow in trying to get rid of the present welfare programs that just don't work. We can

either come up with a comprehensive program that is really new, which would be much like the family assistance program that was submitted in 1969 and 1973. That is one alternative. It would probably have to be modified, but it would consolidate all of the many, many welfare programs that have been piled one upon another over the years. That is one course. And we have some rather specific recommendations that are being analyzed in that area right now.

Or you can take the other course of action, which is to try and tighten up, to change the existing welfare programs, including food stamps, on a piecemeal basis.

Now, sometime between now and next January we will make a decision which is the better of the two courses. But obviously, one or the other has to be undertaken.

Let me add in the interim, however, the food stamp program has gotten totally out of control. Six or eight years ago, it was costing around \$400 million a year. This fiscal year the cost is going to be close to \$8 billion a year—\$8 billion a year. It is a program in the Department of Agriculture's budget, and that is more of Agriculture's budget expenditures than what they give or do or help for farmers. It is unbelievable.

But anyhow, what we have tried to do is—we submitted last year, modifications to the food stamp program which would save roughly \$1,600 million a year. The Congress said, no, you can't put that into effect until after January of this year. So, we had to wait. That is what the law said.

So, they kept promising us that they were going to move; they were going to do something in correcting the inequities in poor administration of the food stamp program. Well, they haven't done it. So finally, about a month or 6 weeks ago, we submitted, under the law, this modification of the food stamp program to save \$1,600 million. It goes into effect, I think, in about 3 weeks, because after you publish it in the *FEDERAL REGISTER*, I think there is 60 days for people to object and so forth. And unless we are sued and stopped from doing it, that program will go into effect in a relatively short period of time.

In the meantime—where is John Tower? The Senate—did they conclude action, John, on food stamps yesterday or not?

Well, as I understand it, the Senate spent about a week in trying to do something in food stamps, and John just told me it was a bad bill. [*Laughter*] And believe me, I rely on his judgment on virtually everything that comes out of the Senate. So, if he says it is a bad bill, you can imagine what is going to happen to it. [*Laughter*]

Well, to conclude, we are going to have one or the other in January, because the present welfare situation can't be tolerated any longer.

MINORITY BUSINESS ENTERPRISE

[3.] Q. Mr. President, I am grateful for the opportunity to raise this question with you. Presently, the Office of Minority Business Enterprise exists under Executive Orders 11458 and 11625, as amended. I am wondering, sir, if you would address the question of your feeling as to the permanency of this agency under the present bill, which is before the Senate. I think it is Senate bill 2617, presented by Senator Bennett Johnston from Louisiana.

THE PRESIDENT. Well, I always hesitate to comment on a bill that hasn't passed the Congress and has come down actually to the White House, because oftentimes you start out with a bill with a number on it; by the time it gets to the Oval Office it only has a number and the substance can be quite different. But anyhow, I am a firm believer in the Office of Minority Business. I think they have done a good job.

If they come down with a bill that is sound as far as structure and organization and so forth, yes, I would approve it because I believe the concept is good. And as far as I am concerned, recognizing that it is set up by Executive order, there wouldn't be any need, as far as I am concerned, to pass the legislation because it will stay there. I believe in it. I think it has worked well. And if they come down with a good bill, obviously I would not disagree with it.

VICE-PRESIDENTIAL RUNNING MATE

[4.] Q. Mr. President, I would like to ask you if you would consider Ronald Reagan as a running mate? [*Laughter*]

THE PRESIDENT. Well, I responded to that before, and there is no change. We have a number of outstanding, I think, potential Republican candidates for Vice President, and they include Governors, former Governors, Members of the House and Senate and, certainly, on the basis of his experience in public life, his interest in the future of this country, he ought to be considered, definitely. But I think it is premature so long as we are going at it the way we are. [*Laughter*]

FEDERAL ELECTION COMMISSION

[5.] Q. Mr. President, I would like to know your stand on the amendment to the Federal Election Act which, as it comes out of the House, would hamper corporate political action committees.

THE PRESIDENT. Well, when the Supreme Court—let me go back one step

further. When Congress passed the original law, I signed it. It became law. It was in late 1974. There were a number of people that challenged the constitutionality of the legislation. The Supreme Court, about 60 or 90 days ago, said that certain portions of that legislation were unconstitutional, including the one that provided for the six members of the Federal Election Commission—four to be appointed by the House and Senate and two appointed by the President—was unconstitutional.

When the Court acted, I immediately got the Democrat and Republican leadership down to the Cabinet Room. We talked about how we could remedy the constitutional defects in the law. It seemed to me that the easiest and best way to do it was to reconstitute the Commission as directed by the Supreme Court. And that ought to be done and nothing else. I recommended that to the Congress. Unfortunately, the Senate and House now have both passed bills that, yes, remedied the one problem, which is basic, but in each case they have added a number of, I think, very questionable provisions.

So, it appears that in conference between the House and the Senate they will have to come out with a lot of nonessential, controversial, complex amendments to the basic law, which I think was a bad mistake. And it would have been so much better, so much more constructive if they had just reconstituted the committee or Commission and let it go at that. If they send a lot of complicated, controversial, I think, nonessential amendments down to it, it's a good candidate for a veto.

INFLATION

[6.] Q. Mr. President, I would like to ask you a question about inflation. You stated that the inflation rate last year was 12.5 percent, and at present it's about 6 percent. Could you tell me if you expect the inflation rate to go lower within this year and next year?

THE PRESIDENT. Certainly the trend is in the right direction. Let's take the Wholesale Price Index. For the last 5 months, if you average them we had 2 months that were below—in other words, they had a decline—and they had 3 months where the increase was minimal. And if you take the 5 months, actually the Wholesale Price Index is flat. And of course, that has an impact on our Consumer Price Index.

Now, the last Consumer Price Index figure that came out was .2 percent. It's my opinion that the trend is in the right direction. We estimated that for the calendar year 1976, that the rate of inflation would be between 6.5 percent and 7 percent. We are very optimistic it is going to be less than that because the trend

is better already. So, my judgment is that by the end of this calendar year, the Consumer Price Index rate of increase will be under 6 percent. And that will be a lot of progress from what it was in 1974. It was over 12 percent.

STANDARDS OF LIVING FOR FUTURE GENERATIONS

[7.] Q. Mr. President, if you will allow me a presumptuous question?

THE PRESIDENT. Sure.

Q. The population of the world is said to have doubled in the last 50 years, and there are widespread rumors of widespread shortage. As the President of the United States, what type of lifestyle or standard of living do you anticipate for our grandchildren?

THE PRESIDENT. It was announced just a week or two ago that we had passed the 4 billion mark in world population. And the rate of growth in population in many of the underdeveloped countries is far higher than our own.

It's my feeling that if we follow the right policies domestically, and we coordinate our efforts with our allies, and we at the same time are able to deal at arms length with adversaries—I am talking about economic policy—it's my judgment that our grandchildren will have a better life than most of us in this room have had.

I am an optimist about it. I believe between science and all of the other skills that have been developed in recent years as to productivity in agriculture, increased industrial capacity and productivity, plus the educational opportunities, communication benefits, there is no reason in the world why the United States and the world as a whole shouldn't be infinitely better off.

And I start from that assumption. If you start from the assumption it's going to be worse, I think you have the wrong perspective. I think when you look at all the things that can and ought to happen, if you have the right leadership, I know it's going to happen, and our grandchildren will be better off than we.

DEREGULATION OF NATURAL GAS

[8.] Q. Mr. President, I am a producer of natural gas from the Fort Worth Basin, that is west of here. And my question would be, how would you, from your view, perceive the future of the controls the Government has over the natural gas industry?

THE PRESIDENT. Well, in January of 1975, among other things, I recommended to the Congress that they deregulate natural gas across the board. We worked very hard, and finally the Senate passed the Bentsen-Pearson Act, which was

not total deregulation, but it was a big step forward. And we went along with it, worked with the two sponsors of that legislation.

We anticipated that the House of Representatives, after a hard fight, would likewise go along with it. We lost in the subcommittee and the Committee on Interstate and Foreign Commerce. We lost in the full committee, but when it got to the floor, we had one of the Members of the House offer a substitute which, in effect, was the Pearson-Bentsen bill, and we lost by three votes.

It was a tragedy, absolute tragedy—3 votes, 205 to 202, or something like that. Then the House of Representatives passed a far worse bill called the Smith bill which, among other things, would put Federal control on intrastate gas, not just on interstate gas. Well, the net result is the two bills are incompatible. Bentsen-Pearson is a step forward—a big step forward. And the Smith bill is a step backwards.

Now, I don't know whether we can somehow work something out or not, but as far as I am concerned, I stand by what I recommended in January of 1975, that the Congress deregulate natural gas, period.

And if I might interject maybe one partisan fact, not a philosophical argument, but on the votes for deregulation of natural gas, 90 percent of the Republicans voted for deregulation and only 22 percent of the Democrats. That shows there is a difference. [*Laughter*]

SOCIAL SECURITY BENEFITS

[9.] Q. I would like to ask you why the senior citizens seem to be penalized when they remarry and lose their social security or part of their social security?

THE PRESIDENT. Well, I think the assumption is that when a widow marries a second time, that her husband is in a position to either support her with his social security or other resources and, on that basis, the law from the very beginning has precluded a widow from getting what she got from her first husband.

That is the way the law is, and I can see where you are suggesting it is inequitable. We have got a lot of things of that kind. One of the grossest examples, which is in the same area—a woman who works for 5 years and then marries and actually, if she continues to work, when they retire she can't draw her social security.

Now that certainly is an inequity in my judgment, but that is, unfortunately, the way the law is. We have a commission or a committee that is studying the whole thing, including the financing of social security, and things of this sort undoubtedly will come before me and before the Congress in 1977.

EMPLOYMENT OF WOMEN

[10.] Q. Mr. President, my question has to do with women, perhaps before they are widowed. In spite of the fact that women are more prepared and educated now to enter and compete in the business world, the high-salaried positions are still going in higher percentage to men than to women. Women are still being kept out of the boardrooms. There are several hundred business people in this room, and I wonder what you could say to them about the hiring, the promoting, and the respecting of women, capable women, in the business world today?

THE PRESIDENT. I have no authority to say anything. [*Laughter*] I would rather indicate to you and to them that this administration has made great steps forward in recognizing women for high positions of responsibility. And Texas has done pretty well. Let me say, Anne Armstrong is doing a super job as our Ambassador to the Court of St. James, and you should be proud of her, as we are.

But we have a number of other women in positions of great responsibility in the Federal Government. The head, or the Chairman of the National Labor Relations Board, Betty Murphy, is a woman. We have the Secretary of Housing and Urban Development, Carla Hills. So, throughout this administration we have a very substantial number of women being recognized in positions of importance and responsibility.

But I don't think I ought to tell this distinguished group, when I am trying to, you know, get friendly—[*laughter*—I think you have made the best speech on that. [*Laughter*]

DEFENSE SPENDING AND EQUIPMENT

[11.] Q. Mr. President, a lot of people we talked to today are concerned about the relative stance of the United States as one of the major world powers and the diminishing portion of the Federal pie spent on defense. What is your position, and what will be your position when you begin your new term in 1977?

THE PRESIDENT. Well, let me answer the last part first. Seven years ago, out of the total Federal expenditures, the Defense Department was getting roughly 42 percent of all Federal expenditures, and so-called domestic programs were getting roughly 31 or 32 percent.

In the 7-year span, the rate of growth of domestic programs has gone up better than 11 percent and the Defense Department has, in real dollars or in current dollars, has gone along at about the same level and in real dollars has

actually had a decrease. So a year go, when I submitted in January the biggest military budget in the history of the United States, we would have reversed that trend.

Well, in that 7-year span, defense had gone from 42 percent to 24 percent, and domestic programs went from 31 and 32 percent up to 50 percent or better. Now, that trend in both cases had to stop. And when I submitted the budget a year ago, it would have turned up the percentage for defense. Unfortunately, the Congress cut \$7.5 billion out of it, so it nullified what I tried to do to get defense having a larger share.

Now, in January of this year, I submitted the biggest peacetime—the biggest budget for the Defense Department in the history of the United States—\$114.4 billion with increases for strategic arms, conventional arms, research and development, et cetera, which again is an attempt to get the share of the Federal dollar in a greater degree for the Defense Department. It would take it up to almost 26 percent.

Now, fortunately, so far it looks like the pressure we put on the Congress is bringing some results, because I don't think Congress this year is going to slash away at it as they did last year. So, if they don't, we will have the kind of a Defense Department program that will keep us unsurpassed now and will keep us unsurpassed in the future.

What we are trying to do is to upgrade all of our hardware—and it is a regular process—it calls for the B-1 being substituted for the B-52. It includes the Trident submarine being substituted for the Polaris and the Poseidon. It provides the M-60 tank to replace the M-48. It is a constant process of upgrading our military equipment. And with the budget that we submitted for the next fiscal year, we will be unsurpassed at the present and will continue to be unsurpassed.

Now I know some questions have been raised about whether we are as strong as the Russians. The allegation is made that they have 4 million people in the army or their military forces, and we have 2.1 million. The problems are a little different. The Soviet Union has a thousand-mile or more border with the People's Republic of China, and they have at least half of their forces on that border. We, the United States, have friendly relations with the Canadians on the one hand and the Mexicans on another. So, we don't have to have half of our military forces on either the northern or the southern border.

And, in addition, the Soviet Union has to face the NATO forces to the west, so they have two borders that they have to man fully, completely, totally. So,

just taking numbers without understanding the problems doesn't explain the facts of life.

Now, let's take another question that has been raised. The allegation is made that the Soviet Union has more missiles than we. That is true, but what do we have? We have more warheads than they by about 4 to 1, and it is warheads, not missiles, that destroy the target.

And our missiles and warheads are more accurate, and our launching pads are more survivable, so we are in a better position to survive. And we are in a better position because our warheads, what we want, are in greater number. So, I just caution people that before you take a chart that compares numbers, that you understand something broader than just the numbers. You have to compare apples and apples, not apples and oranges, as some people try to do.

I will tell you, the best military expert in this audience is you own Senator, John Tower. He is the ranking Republican on the Senate Committee on Armed Services, and I can tell you from my experience with him—when I was in the Congress and he was on several conferences with the House and Senate with me—there wasn't a better or more knowledgeable person, a harder fighter for what he and I stand for than John Tower. You are darned lucky, and so is the country, to have him.

COLLECTIVE BARGAINING PROCESS

[12.] Q. Mr. President, the subject that I am going to touch on in this question is rather delicate and possibly controversial in an election year, so please do not answer it if you feel the answer might hurt your chances of being reelected. [*Laughter*]

THE PRESIDENT. If I won't answer it, I will get Betty down here to answer it. You can count on her to announce it. [*Laughter*]

Q. It probably is going to destroy any chance of my ever holding a public office. [*Laughter*]

THE PRESIDENT. Yes, go ahead.

Q. The question is, in view of what is happening in Great Britain and in several of the other nations, could you please consider the inequities that might be involved in the monopolistic trends that we see in collective bargaining?

THE PRESIDENT. You mean between labor and management?

Q. In terms of collective bargaining on the labor side. We have monopolistic controls on the management side, so to say, but I was wondering if there were any inequities involved in giving them laissez-faire in their grouping together?

THE PRESIDENT. If I understand the question, I strongly believe in the Taft-

Hartley Act. And I would vigorously oppose and not approve the deletion of Section 14(b) of the Taft-Hartley Act.

I voted for, and strongly support, what we call the Landrum-Griffin Act, which tried to put more responsibility and control over certain practices in labor organizations.

It seems to me that with the current court decisions and the existing law, we are getting away from monopolistic practices and undesirable practices in many of the areas where they were bad in the thirties and the forties and the fifties. Now, it's not utopia, don't get me wrong. But I honestly think we are making some headway.

Q. The issue that I was really concerned about—we are far from it here in our country, but looking at Great Britain, it could conceivably get to a point where the unions could paralyze the nation's operation.

THE PRESIDENT. I don't think our situation is comparable to that of Great Britain, and I have been impressed with the restraint—under the kind of facts of life that they were faced with—with the attitude in the last few months of the major labor organizations in Great Britain. Of course, it was obvious if they didn't do it, the country itself would have had serious economic repercussions. But in this country, certainly we are not in that situation. I don't think we will ever get there.

FEDERAL INTERVENTION IN AMERICAN BUSINESS

[13.] Q. Mr. President, first of all I wanted to thank you for coming to Dallas and spending some time here with each of us. And as a final question, I would like to ask, what specific steps has your administration taken to reduce Federal Government intervention, or whatever have you, in the life of the average American businessman? What steps have you taken or will you take?

THE PRESIDENT. Let me give you one or more specifics. Number one, about a year ago, a little less than that, I asked the Office of Management and Budget how many forms go to American businessmen in every department of the Federal Government. They totaled them up, and they were roughly 5,200. Now, all of them don't go to all of you, although you may think so. [*Laughter*] But that is the total that go to American business from all departments.

We had a conference, and after that conference I said, "By July 1 of this year, you have got to cut 10 percent off." And we have now reduced that by about 5 percent. And by July 1, orders are to achieve a total of a 10 percent reduction, which is 520 of them. They are making some headway.

Now, we are trying under the law—and I know that this may be a sensitive

subject—we have already started the process, under Frank Zarb,² to get rid of the various price controls under the energy legislation that was passed last December.

Mr. Zarb has filed the necessary documents in the *FEDERAL REGISTER* to get rid of residual oil controls. He is next going to do it for distillates and for gasoline. And shortly, we will start, under the law, as quickly as possible, to undertake the 40-month period of decontrol with 10 percent as the first step. That is something that is on the way.

And if I can say parenthetically, I know that my signing that bill was somewhat controversial last December, but I want you to remember this: In January of last year, a year ago, I proposed the total deregulation of oil as well as natural gas. In fact, my recommendation to the Congress was that we should decontrol oil by April 1, period, across the board. Unfortunately, the Congress rejected that and extended it until December 22, when the other law became effective.

And if we hadn't signed that bill, the distinct possibility, the overwhelming odds were that you would have had a continuation of the existing law, which was much more rigid, much more inflexible. And what we finally got is not what I wanted, believe me, because I recommended total decontrol of both natural gas and oil. But with the opposition controlling the Congress 2 to 1, you just don't turn a spigot and get what you are after.

Q. Thank you, Mr. President. Speaking on behalf of some of those of us who received those 5,200 forms, we are pleased and proud to have you here in Dallas, and we hope you will be back some time later this year and, perhaps more importantly, sir, we hope you will be back next year.

NOTE: The President spoke at 5:07 p.m. in the International Ballroom at the Fairmont Hotel at a business-management briefing sponsored by the Southern Methodist University School of Business.

In his opening remarks, he referred to James H. Zumberg, president of the university, Adlene Harrison, acting mayor of Dallas, Alan Coleman, dean of

the School of Business, Edwin Cox, chairman of the board of trustees, C. A. Tatum, Jr., member of the board of governors, Dr. C. Jackson Grayson, Jr., former dean of the School of Business, and Trammell Crow, member of the board of trustees, Southern Methodist University and cochairman of the finance committee of the Texas President Ford Committee.

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Remarks at a President Ford Committee Reception in Dallas. *April 9, 1976*

THANK YOU very, very much, John. And let me thank Trammell Crow, and let me especially thank Barney Young and Ed Haggar, but let me add a very

² Administrator of the Federal Energy Administration.

strong thank you for all of you who have come here and given this support. I am very, very grateful, and I can only tell you as strongly as I can you haven't let me down, and we aren't going to let you down.

I have really been talking so much today I have kind of gotten tired of hearing myself talk. But it's, I think, good every once in a while for us to take a minute or two and see where we were and where we are going. And I was thinking as I came down on the plane this afternoon, or this morning rather, in August of 1974, we were in real trouble. We had economic conditions that were unbelievable, inflation over 12 percent and on the brink of a serious economic recession, unemployment about to explode, and employment to plummet.

And as I look back over this last year, I am very proud of the American people, and I am extremely proud of the kind of government we have because, despite the worst recession in 40 years, the American people didn't panic, they didn't succumb to the blandishments of quick fixes and superficial proposals. We tried to have a strong, steady, constructive course, which I think we did. And we got the kind of support that was needed and necessary from people like John Tower and others.

And the net result is, you know, the skies look pretty good now. Everything that is supposed to be going up is going up. And everything that is supposed to be going down is going down. And if we don't lose our cool, and we keep the same firm, steady progress in programs that we have, we are going to have the most prosperous country in the history of the world. And it will be permanent, not a lot of ups and downs, peaks and valleys. That is what we are aiming for, and that is what we are going to get.

We have got other problems besides the economy, but let me just add one comment about where America stands in the world. I always thought I was the second best informed person in the Congress on military affairs—I always conceded that John Tower was number one. [*Laughter*] But number 2 out of 535 isn't bad. So I had in the House of Representatives 12 years on the Defense Appropriations Committee that met 5 days a week, 5 hours a day, 7 months a year, listening to Secretaries of Defense, Secretaries of Army, Navy, Air Force, admirals, generals, you have it. And I believe over a period of that many years, I understand what the programs and the policies are, both strategic as well as conventional. And I can tell you without any hesitation or qualification that the military capability of the United States today is unsurpassed, period.

If you take strategic forces, we have a superiority where our technicians and specialists and military leaders say we should have it. We have more warheads

by far than the Soviet Union. We don't have more missiles, but missiles don't destroy targets. It's warheads that destroy targets. So, isn't it better to have more warheads than missiles? Our missiles and warheads are more accurate than theirs, and accuracy is a very important thing in a weapons system that goes 5,000 miles. And our launchers are more survivable. So, in the areas where we want a greater strength than anybody—warheads, accuracy, survivability—we have got it, and we are way ahead.

Now, you can take strategic airplanes—and all of you in this great State know all about them. Our B-52's, we outnumber them—what is it, 3 to 1, John—closer to 4 to 1, I think, in strategic aircraft. And our B-52's are being replaced on a responsible level with our B-1's, which is a great aircraft. So, what I am saying is, you have to look at the actual programs, and you have to compare apples and apples and not apples and oranges.

Now, I have heard somebody say that the Soviet Union has 4,200,000 men under arms and that the United States has 2,100,000—that is right. But that doesn't really equate the reality. We have Canada to the North, and we don't have a single soldier from the Pacific to the Atlantic. We have Mexico to the South. We don't have a single soldier that mans the border between Mexico and the United States.

The Soviet Union, what do they have? On their eastern border, they have the People's Republic of China with 800 million people and a thousand miles of border where there is controversy every day. So, they have half, at least or more of their military manpower there. Their western border is NATO, Western Europe. They have the rest of their forces there. You just can't take numbers, you have to understand. And all I ask of responsible people like all of you and your many friends in Dallas—listen to a fellow like John Tower, he knows what he is talking about.

Well, it's real nice to see you all. I guess the rest of the Ford family is coming down to the great State of Texas. I understand Betty is coming down. You know she always goes and campaigns in order to get my votes up to her polls. [*Laughter*] And I guess Jack is coming down here, and we can get the rest of them down here if they will help the old man.

Thank you very, very much.

NOTE: The President spoke at 6:18 p.m. in the Gold Room at the Fairmont Hotel. He was introduced by Senator John G. Tower, chairman of the Texas President Ford Committee.

In his opening remarks, the President referred to

Trammell Crow, cochairman of the finance committee of the Texas President Ford Committee, and Barney Young and E. R. Haggar, cochairmen of the Dallas President Ford Committee.

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**Remarks at the Irving Bar Association Law Day Dinner in
Irving, Texas. April 9, 1976**

Thank you very much, Martin. Senator Tower, President John Lawrence, Ed Kinkeade, members of the judiciary, members of the Irving Bar Association, guests:

It is a very great privilege and honor for me to have the opportunity of coming to Irving and participating in the Law Day ceremonies here in this part of the State of Texas.

I have had the privilege and honor a good many times to visit many parts of the State of Texas. Fortunately, I have a good many acquaintances, and my closest friends and acquaintances are, or have been, the Members of the House of Representatives and the Senate from your State, one of whom is here this evening, John Tower.

I must say—and I say this with emphasis and sincerity—having spent 25 years in the Congress, you get to know good delegations and those that don't quite make it. John Tower represents the high quality of the Texas delegation, whether they are Democrat or Republican, and as I said, members of your delegation have been my very closest and best friends, whether on my side of the aisle or on the other. And I want to compliment your State in having such outstanding statesmen represent you in Washington, D.C., and John Tower is one of them.

Texas, they tell me, is number one in the country in many, many, many important ways—number one in cattle production, number one in oil production, number one in cotton, and often number one in football. [*Laughter*] I am delighted to see tonight that you are certainly still second to none in hospitality, and for that I thank you very, very much.

Now, in observance of Law Day here in Irving, I thought it would be extremely appropriate if I directed my remarks to an increasingly serious problem all across America, and when I say “all across America,” I mean its totality. And I hope and trust that you will not misunderstand what I say tonight by indirection or otherwise that I might be talking just about Texas. This is a problem that affects all 50 States, and I think it is time that all of us—whether we are from Texas or Michigan or elsewhere—that we get a refocus on this serious matter that involves a good many fine people in our society.

As practitioners of the law, as leaders of your community, as loving parents,

all of you must share my very deepening concern about a new wave of drug abuse that is affecting our Nation.

Only a few short years ago, many of you will recall the United States was faced with a virtual epidemic of drug abuse—large quantities of opium were coming out of poppy fields from countries such as Turkey, they were converted into heroin in port cities in France, and from there were smuggled into the United States. This country mounted a massive, active campaign against illicit drug traffic, and with the cooperation of law enforcement officials, both here and abroad, we eventually broke the back of the so-called “French Connection.”

There was good reason to be pleased because, it seemed we had not only turned the corner in drug abuse but we had also begun to make significant strides in street crime problems. Our success, however, did not last as long as most of us would have hoped. The base of the heroin trade has now shifted to other countries, and today there is a renewed and alarming flow of drug traffic into this country.

The time has now come to step up our fight, sharpen the weapons in our arsenal, and launch a new and far more aggressive attack against this insidious enemy. The cost of drug abuse to this Nation is staggering. And I had the benefit of the various agencies and departments in the Federal Government give me a 2 hour briefing earlier this week, and the information, the facts are unbelievable. Every year more than 5,000 Americans die from direct drug-related causes. Every year more than 170,000 injuries can be directly traced to drugs. Every year the problem of drug abuse costs up to \$17 billion.

Significantly, the greatest bulk of this \$17 billion is money lost through crime. Law enforcement officials estimate that up to one-half of robberies, muggings, burglaries, and other forms of property crimes are committed by addicts to support their expensive and debilitating habits.

These statistics, as ominous as they are, reflect only part of the traffic total. For every teenage child killed by a drug overdose, there are thousands and thousands of others who do not die but continue only the motions of living. They sit in classrooms without learning, they grow isolated from their families and from their friends. When they should be preparing for the future, they can hardly cope with the present.

And this disease is by no means limited to youth or to any other particular group in our society—the suburban housewife, the worker on the assembly line, the white-collar professional, nobody is immune.

As you know, 80 to 90 percent of the heroin coming into the United States today has come across the border from Mexico. The problem is not an easy one

to cope with. There are as many as 20,000 small poppy fields hidden in the mountainous terrain of the Sierra Madre. With the new equipment that we have—not only the aircraft, whether it is fixed wing or helicopter, and with photographic capability—you can see these relatively small, but very productive and very financially beneficial poppy fields. And I pledge to you tonight that we will spare no effort to crush the menace of drug abuse.

Clearly, as we look at the picture today, our first defense must be directed at our own borders to clamp down on the illegal flow of drugs from foreign sources. And as I mentioned a moment ago, 80 to 90 percent of the current flow of heroin comes across the Mexican border, having been moved from what had previously been the case with Turkey and several other countries.

The drugs that come from these fields might be smuggled here in any way, any one of almost a million vehicles a week that cross border checkpoints, or aboard any one of 4,000 aircraft that illegally penetrated the border last year, or even in the backpack of someone who illegally walks across the 2,000-mile border that we share with Mexico.

Fortunately—and I think we are fortunate—the Government of Mexico, under the leadership of President Echeverría has been increasingly concerned with this problem and has cracked down very hard on both the growers and the traffickers.

With help provided by our Government—and this help includes helicopters and other advanced equipment, and committing substantial resources of our own—the Government of Mexico is undertaking the biggest and most effective crop eradication program in its history. Thousands upon thousands of fields have already been wiped out. And while many of these fields can and will be replanted, the Government also plans for the first time to maintain a year round eradication program. This is the only way that you can really stop the growth of this into our country.

The efforts made on their side of the border have been very substantial and they have been aided by what we have done on our own side through the combined efforts of Federal, State, and local authorities. In particular, I would like to compliment the law enforcement officials of Texas. The people in the Federal Government tell me that they get maximum help and assistance from your State as well as local officials. So, speaking for the Federal Government, may I thank you and indicate our great appreciation.

Your people have done a fine job in helping to control the flow of illegal drugs and they not only deserve your thanks but they deserve the appreciation of many, many thousands of Americans throughout the other States of the

Union, because if you look at the flow charts, they bring these drugs across the border and they fan out in almost organized routes that end up in Chicago or New York or any one of the other places.

So, what is done at the border, or what is done behind the border in Mexico is significant from the point of view of the people in the other States of the Union. I believe, and I believe very strongly, that the leaders of Mexico feel that together we seized a great opportunity; and we, working together in conjunction with one another, can stem the tide of new drug invasion within a year.

That is a hard goal, that is a tough accomplishment, but with their cooperation and our joint efforts, and with the help and assistance of local and State officials in Texas and elsewhere, we can effectually achieve a substantial reduction in the supply at the source, as well as crossing the border.

But frankly, our efforts must not stop there. We must also accelerate our law enforcement efforts here throughout our own country. Frankly, despite all the rhetoric of recent years I do not believe that we have yet succeeded in making it tough enough for drug traffickers. As far as I am concerned—and I think this is shared by virtually everybody in the Congress, the House, as well as the Senate—the people who traffic in hard drugs are nothing less than merchants of death and should be put behind bars for a long, long, long time.

Yet the Justice Department studies show that more than a quarter of those convicted of narcotics trafficking do not spend a single day in jail. The extraordinary laxity that sometimes exists was illustrated just last month in a case when law enforcement officers arrested 31 people, most of whom were major violators responsible for very large shipments of heroin into the United States. Nineteen of those arrested were immediately freed on a \$500 personal recognizance bond, even though their offenses were punishable by 15 years in jail. All but 2 of the 19 had long, long arrest records, and one was on parole for a narcotics offense—unforgiveable, completely indefensible.

I believe that we have to close legal loopholes that permit traffickers to escape the Federal penitentiary. Those who live off the misery of others must pay the price, and the higher the price, the better, as I see it.

To his great credit, the new head of the Drug Enforcement Administration, Peter Bensinger, who incidentally is off to a very fine start, quickly intervened in the case that I mentioned. Warrants were reissued for 4 of the 19 and bail was raised to \$10,000 for each of the others. I can't tell you the end result because it hasn't been concluded, and we shouldn't talk about individual cases by name. But something has to be done to prevent the kind of an illustration that I indicated.

Last year, the administration sent to the Congress legislation that would require mandatory prison sentences for persons convicted of high-level trafficking in heroin and similar narcotics. Sentences would not be less than 3 years for such traffickers and would range up to a total of 30 years.

Unfortunately, this legislation has been caught up in the great debate over Senate bill 1, which is a very controversial piece of legislation. And, unfortunately, unless we break it out, unless we separate it from other very controversial reorganization and rewriting of our Federal Criminal Code, I am afraid we can't get affirmative action.

But because we cannot afford delay, I am recommending the separation of these recommended provisions to handle these problems from S. 1 which is a comprehensive rewrite of our Federal Criminal Code.

I will recommend, in a special drug message that will soon be sent to the Congress, the separation and to urge the Congress to act as quickly as possible in order to join with us in the executive branch with the local and State people who are trying to do something very affirmatively in this 1-year period.

Now, beyond halting this illegal flow of drugs from abroad and stiffening our domestic law enforcement, still another prong of attack on drug abuse must lie in prevention, treatment, and rehabilitation.

In recent years we have made very significant progress in the United States creating a very large and successful treatment network. Today, some \$460 million in Federal funds is spent annually on prevention, treatment, and rehabilitation, 10 times more than we spent just 7 years ago. We can now treat more than a quarter of a million drug addicts at one time in the United States. In addition, recent studies show that the number of addicts who go back to drugs after they have been treated has dramatically declined, which indicates that the treatment is better and certainly, if we can get them early enough, it's infinitely better.

Encouraging progress has also been made in working with local leaders on programs of drug education, and particularly counseling. I know that the people of Dallas must take a very special pride in the highly innovative program that has been set up with Federal seed money, and is now run by the Dallas Independent School District under Dr. Nolan Estes. This program, as I understand it, built on the philosophy that the drug problem is actually a human problem, has turned countless numbers of individuals away from drug abuse and has helped to rehabilitate many, many others.

And what impresses me most about this effort is that its leaders are not only concerned adults but young people themselves—young people who have a

real mission in life to save their classmates, their families from a very horrible fate.

Now, looking over the wide range of drug efforts, it can be seen that the Federal Government must play a very essential role in dealing with law enforcement problems that are national in scope in mobilizing the enormous potential resources of State and local localities.

We are pursuing an active program now in building upon a white paper which was issued just a few months ago. We plan to accelerate that program in the future. We will step up our interdiction efforts. We shall step up our law enforcement efforts. We shall step up our efforts at prevention, treatment, and rehabilitation, and we shall stick with it as long as we must to get the results that are essential and vital to the history and the health of this country.

Now, let me add this final note—before getting into the final note that it was going to be the final note. [*Laughter*] I couldn't help but gather from the conversation at the dinner table tonight that some in this audience were very pleased with the firm action under the leadership of John Tower and several others in the Senate in defeating, or in effect killing, for this session of the Congress at least, the no-fault insurance legislation. The administration helped a little. We didn't like it either, so congratulations, John.

The final note, if I might. Everything we do, whether in combating drugs, in solving the problems of our economy, or in regaining energy independence for America, you know as well as I that we cannot rely solely upon Washington, D.C. This country is great, not because of what government has done for people, but what people have done for themselves.

There is one very fundamental truth that I would like to repeat because it means a great deal to all of you as citizens, but it means something to you particularly as lawyers. We should never forget this fundamental truth—that a government big enough to give us everything we want is a government big enough to take from us everything we have.

Now, as we take a final look at the total effort, cooperation with the Mexican Government and the prevention of the growing or planting of the poppies, to the interdiction at the border, to more law enforcement, tougher action in the courts, prevention, rehabilitation, when we mobilize all of those resources—Federal, State, and local—we in government have made the most massive effort that we possibly can.

But all of that effort will be of little use unless the American people themselves rally and fight this scourge of drug abuse within their own communities and

within their own family. The mysteries of growing up, of finding meaning in life, are perhaps more baffling today than they were in much simpler times.

As adults, we cannot provide all of the answers, but we can provide a loving and a caring home. We can provide good counsel, we can provide good communities in which we can live and the children we bear can also live. And we can show, through our own example, that life in the United States is still very meaningful and very satisfying and very worthwhile.

Americans have always stood tall and strong against all enemies. Drug abuse is an enemy we can, we must, and we will overcome, but it has to be a personal and a national dedication. If we do, we can be successful. I am convinced we want to, we will, and we must.

Thank you very, very much.

NOTE: The President spoke at 9:36 p.m. in the Stadium Club at Texas Stadium. In his opening remarks, he referred to Martin L. Kahn, president

of the Irving Bar Association, John Lawrence, president of the Texas Bar Association, and Ed Kinkeade, chairman of the dinner.

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Remarks at a President Ford Committee Breakfast in Dallas. *April 10, 1976*

THANK YOU very, very much, John. Boy, you are in good form early this morning. [*Laughter*]

Let me say very quickly but very sincerely, we had a wonderful day yesterday and the fact that John Tower was with me and spoke up as he did this morning was very, very helpful. And I just couldn't have a better spokesman, a better leader in the State of Texas than John Tower. And I thank you very much.

I couldn't get a finer group of people here in Dallas than this group here. And we thank you very much on behalf of all the efforts, all the tremendous things you have done in organization and phone banks and the many other hard chores that have to be done. I thank you, and I think we might surprise some people.

I had some experience doing exactly what you have all done on a number of political campaigns. I was a young, enthusiastic volunteer for Wendell Willkie back in 1940, and spent most of that summer trying to see that he had his opportunity in the Presidential race.

So, I know precisely what you are doing and how you are trying to do it, and I know that it makes a difference. So, every phone call you make, every effort you make otherwise—that one doesn't appear to have an impact, but when

they are accumulative, then there is no question whatsoever that in this kind of race particularly, and even in the runoff in November, what you do every-day, what you do a part of the day, does make a difference.

So, I thank you, and it is a very significant factor in this contest where I think we are coming from behind. But as I said a moment ago, we might surprise some people who are a little overconfident, I suspect.

Let me tell you a couple of things that you might say when you call individuals and they ask the question, which is very legitimate in this political arena in which we operate: "Why should I be for President Ford?" Let me tell you what I would say and what Betty has said in New Hampshire, Florida, and elsewhere, and what our children say when they are asked that question, and they are repeatedly interrogated concerning it.

Number one, we inherited at the time I became President the most uncertain and most potentially devastating economic situation in the history of the country in the last 40 years. Inflation was 12 percent or more. We have cut it back to 6 percent or less. Unemployment was about to soar and employment was about to plummet. And through sound, constructive economic plans and programs that put the focus on the private sector rather than loading up the Federal payroll, we now have everything reversed with all things that are supposed to go up, going up—employment, retail sales, automobile sales, industrial production, everything in the economic field is going up.

And at the same time everything that is supposed to be going down is going down. The rate of inflation is in the right direction, downward. The unemployment figures are also down. And one statistic that I found very convincing in talking to people is that a year ago just about now our unemployment was 8.9 percent, and in that span of time from last March or April, we have regained 2,600,000 jobs. And today, or in the month of March, we achieved a total employment of 86,700,000 Americans, the highest number of Americans who have ever worked in our work force in this country.

We have an alltime record, so we are doing very, very well. And we are on the way to making it not only increasingly prosperous but I think on a more permanent basis.

One other question you will be asked: "Well, what is the President doing about getting the Government out of my business or out of my hair?" whatever they might say.

In the first place, every department of the Federal Government has been told that they must go through every one of their regulations, they must analyze every

one of their forms, and they have specific instructions from the White House to reduce the forms that they require the American people to fill out by 10 percent by July 1. And we have outside task forces going into every department, so that it's not self-analysis, it's a group of fresh individuals who are looking at their regulations to make sure, to make certain that all of these obsolete, obsolescent regulations can be junked, and there are many of them.

One final question that I am sure is raised: "How does the United States stand around the world?" Number one, the United States is unsurpassed in military capability. And when you put together our unsurpassed capability militarily with our tremendous U.S. industrial capacity that is superior to any nation, and when you put together with that our unbelievably superior agricultural productivity and our scientific and technological superiority, then you have a package that without question of a doubt makes the United States number one compared to any other nation in the history of the world, period.

And then there is one final ingredient that I think makes a difference to all of us. In the United States of America, we have a great devotion to spiritual, religious, deep-seated convictions about what we can do and who we believe in and what our feelings are toward something greater than we, greater than anything. And that spiritual religious conviction gives us the inspiration to keep going, to make this freedom secure and this liberty positive and certain and to make America what we want as our dream—the America that our forefathers gave us but improved and added to and just made better by all of us.

Thank you very much.

NOTE: The President spoke at 8:03 a.m. in the Gold Room at the Fairmont Hotel. He was introduced by

Senator John G. Tower, chairman of the Texas President Ford Committee.

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The President's News Conference of *April 10, 1976*

GOOD MORNING. Won't you all sit down, please.

We had a great day in Texas yesterday. One regret—I wish I could have stayed and watched the Rangers¹ win that ball game last night. It must have been a real fine game—11 innings, excellent. You all loved it in Texas, didn't you?

¹ The Texas Rangers major league baseball team.

QUESTIONS

ILLEGAL MEXICAN ALIENS

[1.] Q. Welcome to Texas, Mr. President. The Dallas-Fort Worth Sigma Delta Chi is pleased to have this chance to ask you a few questions.

The first question is, last night you spoke about stopping the flow of illegal drugs across the Mexican border. What is your administration doing to stop the flow of illegal immigrants across the border?

THE PRESIDENT. First, in the budget that I submitted for fiscal year 1977, we have increased the funds and will make available more personnel to work with local authorities. I have discussed the problem with the President of Mexico, President Echeverría.

The top legal authorities in this country have continued their work with the authorities on a comparable level in Mexico. It is a very serious matter, and we are doing our utmost in every way possible to prevent the flow of illegal aliens into the United States.

PANAMA CANAL NEGOTIATIONS

[2.] Q. Mr. President, a few weeks ago, Deputy Secretary of Defense Bill Clements was in Dallas, and at a press conference he was asked a question about the Panama Canal negotiations. He said that there is a possibility that those negotiations might result in a partnership between the United States and Panama in the operation and defense of that canal. Is there such a possibility?

THE PRESIDENT. I think it is premature to come to any conclusion as to what might be the final resolution of the long, longstanding differences between the United States and Panama. Three Presidents have had representatives negotiating on this very controversial issue.

I can simply say—and say it very emphatically—that the United States will never give up its defense rights to the Panama Canal and will never give up its operational rights as far as Panama is concerned. Since there is no resolution today, I don't think I should prejudge any detailed, final settlement in this conflict or controversy. I can assure everybody in the United States that we will protect defense and operational responsibilities as far as the Panama Canal is concerned.

PARDON REQUESTS FOR WATERGATE CONSPIRATORS

[3.] Q. Mr. President, if requested, will you commute the sentences of or pardon any other Watergate conspirators?

THE PRESIDENT. I would expect that all requests for pardon or any other action would come through the normal channels, through the Pardon Attorney in the Department of Justice. It would be inappropriate for me to make any comment because none of those requests have come to me through the proper authorities. Until and unless they do, it is inadvisable for me to make any conclusion one way or another.

U.S. ASSISTANCE TO ISRAEL; SITUATION IN LEBANON

[4.] Q. Mr. President, in view of the heightened tension in the Middle East, especially with the Soviet-backed penetration of Syria into Lebanon and increased activity of the PLO, do you think your policy of curtailing defense funds for Israel is expedient, or do you plan to reexamine that policy with regard to restoration of the \$550 million in interim funds? Also, what is our Government going to do to prevent a Syrian-Soviet takeover of Lebanon?

THE PRESIDENT. First, let me set the record straight. In the fiscal year 1976 budget for foreign aid, I recommended \$1.5 billion for military assistance for Israel, half of which would be forgiven, which means half of it is a grant, not a sale or a loan. And, in addition, I recommended \$700 million in economic aid and assistance to Israel for a total of \$2.2 billion for Israel in a 12-month period.

Number two, for fiscal year 1977 I recommended \$1 billion in military aid and assistance for Israel, again half of which would be forgiven. And I recommended, as I recall, \$600 million in economic aid and assistance for Israel for a 12-month period, which means over a 27-month period, I recommended to the Congress \$2.5 billion in military assistance—half of which would be forgiven—and something over \$1 billion in economic aid for Israel. All of my technical advisers in the executive branch of the Government tell me that those funds are ample for military as well as economic assistance for Israel.

Now, the Congress, on a tentative basis has added another \$500 million for military assistance. My technical advisers tell me that this is unneeded, unnecessary for the security and survival of Israel. I think what I have proposed is fully adequate to meet any challenge that Israel might have for its security and survival.

On the second question, our policy in Lebanon, which relates to the whole Middle East, is, number one, to achieve a cease-fire and a permanent cease-fire; number two, to accomplish a political settlement of a very complicated and controversial problem in Lebanon; and number three, we are urging every party,

those within the Middle East and others to have restraint until we can achieve a political settlement.

I don't believe that there has been any rash action by any party so far and we certainly will use our maximum diplomatic influence to make certain that doesn't happen.

Q. Mr. President, don't you consider what is happening there in the past week, with all the killing going on—and we know this is backed by Soviet arms—don't you consider this a heightened thing? And don't you consider that rash military action? And, if Syria does take over, and Israel is faced with another border with a hostile force, don't you think in view of all this that perhaps you should reconsider your judgment, your previous judgment?

THE PRESIDENT. You are presenting the worst possible case. We do not expect that to take place or transpire, and we are maximizing our efforts to prevent it, to preclude it. And I don't think it will happen. And therefore, the military recommendations of \$2½ billion for Israel is fully adequate to meet the circumstances we think will take place.

CUBAN INTERVENTION ABROAD

[5.] Q. Mr. President, just a few weeks ago, in this very hotel, Secretary Kissinger said that we will no longer tolerate any further Cuban intervention abroad. And I am wondering, just how far you are committed to back up that threat, especially in the view that there are now some 20 Russian combat pilots in Cuba?

THE PRESIDENT. Let me say that the statement made by Secretary Kissinger is, in effect, my statement. I believe that, and he was carrying out what I have personally said myself.

Number two, over a long period of time, there have been Soviet pilots in Cuba. We don't believe that there is any significant change in that situation today from the past, and we certainly will be alert to recognize any change if one does occur, and we would object if there was any significant change.

BLACK VOTE

[6.] Q. Mr. Ford, several members of the Congressional Black Caucus and other black political leaders have said that they will not endorse a Presidential candidate right now because they are not addressing themselves to the specific needs of black Americans, i.e., unemployment, welfare, and things like that. What will you do to get the black American vote, and just how important is that vote to you?

THE PRESIDENT. I want the votes, to the maximum degree possible, of all elements of our society. I don't believe that one should make a specific appeal to any segment of our society for a vote on the basis of what I promise. It is my aim and objective—it has been, it is, and it will be—to have a program that meets the needs of all segments of our society.

I recognize that there are certain interests that one group or another may have. In the case of blacks, the minority economic assistance program. We have done well in that. We have done very well in trying to provide summer youth employment. I recommended the maximum possible under the law, and that has a particular impact on minority youth because they have the highest rate of unemployment.

So, what we try to do is to recognize a problem that affects all of our citizens. If it affects one group more than another, and we get an answer, it, in my opinion, is the right approach. But to offer as a specific program to a particular group in order to get their votes, I don't think that is the way a candidate for the Presidency should operate. I don't intend to do so.

JOHN CONNALLY

[7.] Q. Mr. President, this is a question about John Connally. Milk mustache or not, Mr. Connally would definitely be an asset to you, especially in Texas now, and later as a running mate. If he does not support you in the campaign, will this automatically erase him as a running mate possibility,

THE PRESIDENT. John Connally has made a decision, which was his decision, as I understand it, not to support any of the two Republican candidates in the primary. I respect his judgment. John Connally is a very close, personal friend of mine. I have great respect for his record in public office and his record as a citizen of the State of Texas. I wouldn't think that his failure to support me would in anyway whatsoever prejudice any opportunity to serve in my administration for the next 4 years.

DECRIMINALIZATION OF MARIJUANA

[8.] Q. Mr. President, in view of your remarks last night concerning drug traffic across the borders of Texas and Mexico, and the increased Government pressure and crackdown on pushers especially, will there be any utilization of the so-called Shafer Commission report, the President's commission on marijuana and dangerous drugs, and a reevaluation of what you consider dangerous drugs and dangerous drug traffic, i.e., with regard to the decriminalization or legalization of marijuana?

THE PRESIDENT. I do not believe in the decriminalization of marijuana. I have said that many, many times. There is no conclusive evidence that I have seen. Much research has been undertaken. I see no preponderance of the evidence which indicates to me that marijuana doesn't have an adverse, potential impact on a person's health. Until there is that kind of evidence, I strongly believe—I am against the decriminalization of marijuana.

TEXAS PRIMARY ELECTION

[9.] Q. Mr. President, before coming to Texas you indicated that you felt you were coming as the underdog. How do you feel you will leave?

THE PRESIDENT. I am greatly encouraged, but I still think we are the underdog. I am getting more optimistic, because we have had a great response since we have been in Texas yesterday, and the response today so far has been equally good.

We have a fine leader of our organization in Senator John Tower. We have a wonderful group of volunteer workers. I think we have the right policies not only for Texas, but for the country. So as we move closer and closer to that very crucial primary, I think we will do increasingly better—and we might surprise some people.

DEREGULATION OF NATURAL GAS AND OIL

[10.] Q. Mr. President, you said that you have the right policies for Texas. Your signing of the energy bill has not been popular in Texas. How are you justifying this to the Texas oil industry?

THE PRESIDENT. I think a little history might be helpful. In January of 1975, in the State of the Union Message, I came out wholeheartedly for the deregulation of oil as well as the deregulation of natural gas. As a matter of fact, I said that Congress should authorize the deregulation of oil by April 1, 1975.

Unfortunately, the Congress did not follow my recommendations of better than a year ago. After laboring long, from January through most of December, the Congress sent me a bill that included 4 of the 13 energy proposals that I recommended, in a mix of good and bad in the remainder of the legislation.

As I analyzed the pros and cons, it seemed to me that the best choice for me under those circumstances was to sign the bill and to try and get the Congress to do what I had recommended in January, which was not only the deregulation of oil but the deregulation of natural gas.

I think we are making headway. We have had some disappointments, but my firm, personal conviction today is what I recommended to the Congress in January of 1975.

FEDERAL SPENDING

[11.] Q. Mr. President, a House committee report released last week indicated that the administration underestimated the proposed budget by nearly \$8 billion. Would you comment on this, and also tell us in light of election year pressures, how hard you will fight and how far you will go to hold down Federal spending?

THE PRESIDENT. Well, that is a matter of judgment. The several budget committees made their own calculations as to what expenditures ought to be. I strongly disagree with the increased expenditures that those budget committees are proposing. The \$394.4 billion spending recommendation that I proposed, I believe today is the right one. And I regret that the Congress has recommended, or the two committees in the Congress have recommended, additional spending. I don't think it is necessary.

As I have said many times in the last 19 months, I have vetoed 47 bills, and 39 of those have been sustained. And we have saved the taxpayers \$13 billion. If the Congress sends down in the coming months additional bills for overspending, I will continue to veto them again, again, and again. I think the Congress is wrong. We don't need that extra spending.

BLACK VOTE

[12.] Q. Mr. President, in view of your answer a few minutes ago about the black vote and whether you would try and achieve this or not, and in view of the fact that many political candidates who have either ignored the possibility of blacks actually putting them in office or not, is it correct to assume that you either don't care about the black vote or that you feel that the black vote will have no weight during this Presidential election?

THE PRESIDENT. I would like as many supporters in the black community as possible. I have always had it in my own congressional races. I have always believed that the black community should play a meaningful part in elections. And I intend to do what I can in presenting the broad programs that I have recommended, and I believe they will help and assist all minorities.

But to go out and offer a particular piece of legislation for any segment of our society in order to get them to vote for me, I think is the wrong approach for a Presidential candidate. I want help and assistance from the black community, but I don't intend to sacrifice my overall approach, which I think is in the best interest of the United States.

APPROPRIATIONS TO HALT HEROIN TRAFFIC

[13.] Q. Mr. President, yesterday you took your hard-line stance again on heroin traffic here in this country. And there has been some talk among Texas representatives that some budget allocations for immigration agents along the Texas-Mexican border could be cut back a little bit, necessitating a drop in the number of agents guarding the border. I think you are aware there has been a larger amount of heroin traffic coming across from Mexico. Would you be in favor of increasing the budget for immigration agents to watch the border?

THE PRESIDENT. As I said last night, 80 to 90 percent of the heroin that comes into the United States today comes across from our southern borders. We have proposed that there be a beefing up of our total Federal law enforcement effort in this area in order to meet this challenge.

Now, if we find at any point that more people are needed or more money is required to meet this problem, I will be very, very anxious to suggest additional appropriations. But it has to be shown as a matter of need.

I think based on the facts that were presented to me in November and December of last year, when we put the budget together, that what we recommended was adequate, fully adequate. But if the circumstances prove otherwise, of course, I would recommend the additional funds, if needed.

JOHN CONNALLY

[14.] Q. Mr. President, have you and Governor Connally had any conversations or talks about the possibility of his being your running mate or taking a high Cabinet position?

THE PRESIDENT. We, in our very delightful dinner at the White House about a week ago, covered a wide range of matters, including politics, but I don't think I should divulge a personal conversation between my good friend and myself. It was a very broad discussion.

VICE-PRESIDENTIAL RUNNING MATE

[15.] Q. Mr. President, while Rogers Morton² was in Fort Worth this past week, he predicted that you would probably talk to a wide range of top Republicans before choosing your running mate. Is that correct?

THE PRESIDENT. I think it is the obligation of a Presidential candidate to encourage recommendations from all segments of our party. And in Kansas City and perhaps before, I will certainly solicit such recommendations from people in the party from all over the country.

² President Ford Committee campaign manager.

U.S. POLICY TOWARD EASTERN EUROPE

[16.] Q. Mr. President, when Ronald Reagan was in Dallas earlier this week, he reiterated his concerns about Eastern Europe. Last Friday, you reiterated this country's support or responsiveness—I believe you said as responsibly as is possible—to the aspirations for autonomy of Eastern Europe. How far would your administration go in the event of an uprising such as in Hungary in the fifties and Czechoslovakia in the sixties?

THE PRESIDENT. The Helsinki agreement provided that we would support all peaceful means of individuals or nations achieving their freedom. I don't believe that the United States should say we are going to war if certain things happen in Eastern Europe.

I think we ought to work with individuals and with countries to make sure that their freedom and their independence is achieved and maintained. But to say the United States would take military action under certain circumstances is not the proper attitude for a President of the United States to take at a time when we are at peace.

We ought to encourage individual and national freedom and independence. But I don't think we should rattle our sabre. I think we ought to work within the overall context, rather than to say we will do something in a military sense.

Q. Mr. Reagan is rattling his sabre?

THE PRESIDENT. I wouldn't want to judge that. I can only speak authoritatively about my own policies, which I have tried to, in response to your question.

TREATMENT AND REHABILITATION FOR DRUG ABUSERS

[17.] Q. Mr. President, in your speech last night you alluded to the progress that has been made in treatment and rehabilitation of drug abusers and said that you plan to step up those programs. In this city today, drug treatment programs are operating in excess of their capacity, and in some cases even putting addicts on waiting lists. Can you give us a more specific idea what improvements in those programs you will propose, and when?

THE PRESIDENT. Well, in the budget for fiscal year 1977, we increased the amount of money for the treatment programs where the Federal Government has a responsibility. On the basis of the recommendations that came to me from the authorities in the executive branch, this money was increased. There will be an added number of treatment opportunities.

If there is a need for specific help here in Dallas, either under the LEAA program or any other Federal program, we will do our utmost to be helpful.

RESIGNATION OF HOWARD CALLAWAY; TEXAS PRIMARY ELECTION

[18.] Q. Mr. President, a couple of campaign questions. One, in view of what has been made public thus far in the Callaway affair,³ do you believe that he acted too hastily in leaving your campaign?

Secondly, in the Texas primary, I believe your Texas campaign chairman, Senator Tower, has been quoted as saying that unless Mr. Reagan gains at least 75 percent of the Texas primary vote or delegates, that he should drop out of the race. Do you agree with that?

THE PRESIDENT. First, the action taken by Bo Callaway was his initiative. He said that although he expected to be totally cleared, he felt that the possibility of Senate hearings, the added news media discussion of his circumstances, would injure my campaign. On the basis of his request, I accepted his resignation. I think he did, under the circumstances, what was right. And I applaud and I thank him for his unselfishness in these circumstances.

Number two, as I said, we are doing our utmost to do well here in Texas, and I think we are going to do increasingly better. I think it is premature for me to make any recommendations to former Governor Reagan; that is a decision for him to make. So, I am not going to, under any circumstances, advise him. That is his choice, not mine.

Q. Can you estimate a percentage in the primary?

THE PRESIDENT. No, I don't play the numbers game.

RIGHTS OF AMERICAN CITIZENS IN FOREIGN COUNTRIES

[19.] Q. You talked about cooperation from the Mexican Government in stopping the hard drug flow. What are you doing to get similar cooperation from that Government in stopping the abuse of U.S. citizens in the Mexican prisons?

THE PRESIDENT. We, of course, expect every foreign government to work with us in the protection of the rights of American citizens. We have, through the proper channels in this case, indicated our deep concern for the protection of the rights of American citizens in Mexico.

On the other hand, we repeatedly tell Americans who go to other countries that they have to live up to the laws of those countries. It's a two-way street. We don't condone violence in this country in violation of our laws, and I don't think we should condone violence in other countries in violation of their laws.

But I can assure you, that through proper channels, we have indicated very strongly that the legitimate rights of all Americans in those countries should be fully protected. And we will continue that policy.

³ See Item 212, footnote 3.

SECRETARY OF STATE KISSINGER

[20.] Q. Mr. President, since we are running out of questioners, may I ask you two questions? One is, have you seen "All the President's Men" and, if so, what do you think of it?

And the second question is, what you think of a kiss-and-tell Secretary of State? [*Laughter*]

THE PRESIDENT. I have not seen "All of the President's Men." I have been a little busy, so I just haven't seen it, and as far I know, I have no plans to see it. But I don't quite understand the second question.

Q. Well, I think it may have reference to the Secretary of State's enjoying parties and things like that, and enjoying the limelight.

THE PRESIDENT. Well, the Secretary of State—I know from personal contact with him—works about 14 hours a day if not more. And if he wants to have some relaxation, I think that is a personal choice on his part. And as long as he does the job and does it well, which he is doing, I am not going to make any comment about a couple of hours a day where he relaxes and enjoys himself. That is his choice.

FORMER PRESIDENT NIXON'S REPORT ON HIS TRIP TO CHINA

[21.] Q. Mr. President, it has been reported that former President Nixon's report to you on his trip to China had very little useful substance. Is that correct?

THE PRESIDENT. It was very interesting; it was very useful. I read it not once but several times. I was glad to get it. As I said, it was interesting and useful. We will have to wait and see how some of his comments relate to what has happened or may happen in China, but, other than that, I don't think I should comment.

TEXAS PRIMARY ELECTION

[22.] Q. Both you and Governor Reagan apparently consider yourselves the underdog in Texas. Who is the favorite?

THE PRESIDENT. I thought from everything I have read that Governor Reagan came into Texas with the anticipation and expectation that he would win a substantial majority of the delegates here. That is what I have read from his campaign managers or other people involved in his campaign.

And I looked at the amount of time that he will be spending here, so I believe he anticipates a substantial campaign. He said he was going to all 24 congressional districts; he was going to maximize his effort. As far as I could tell from the press statements, he thinks he is a favorite—or his people do.

We recognize that we came down here as an underdog, but underdogs often win, and we are sure going to try.

Q. As the incumbent President, why do you consider yourself an underdog?

THE PRESIDENT. That is a good question, because the policies that I have followed for the country as a whole have benefited, I think, Texas as well as the rest of the country. Economic conditions are good in Texas, and they are getting better, and they will get even better.

I have strongly supported a very up-to-date, modern, unsurpassed military capability, and Texas has a great many military installations. So, that policy on my part ought to be fully supported by people in Texas.

But from what I understand, in the Republican primary there is a situation where we might be an underdog. I am confident that after getting nominated in Kansas City, against whoever the Democrats nominate, we will do very well in Texas in November.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Thank you all very much. It is nice to see you, and we expect to have another good day in Texas.

NOTE: President Ford's thirtieth news conference was held at 9:13 a.m. on Saturday, April 10, 1976, in the International Ballroom at the Fairmont Hotel in Dallas.

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Exchange With Reporters on Arrival at El Paso, Texas.

April 10, 1976

IT'S real nice to be here in El Paso with your fine mayor, Don Henderson, and I am looking forward to several very interesting, very important gatherings here. But on this occasion I would like to answer any questions from the local press.

REPORTER. The continued influx of illegal aliens at a time of high unemployment remains our basic concern in this part of the country. The issue has been debated for years and is still bottled up in committees, and the so-called Rodino bill would make it a crime to employ illegal aliens. What is your position on that measure, and what message do you have in general for Congress on that position?

THE PRESIDENT. We fully recognize that there is somewhere between 6 and 8 million illegal aliens in the United States, many of them all over the United States. We think it is a problem that has to be resolved in order to meet that

challenge. I have increased the number of people in the Immigration and Naturalization Service in the fiscal year. We are trying to speed up the deportation of those who are here illegally. The Rodino bill has not come out of the committee. It is controversial. There are some who think it puts too much of a burden on the employer, and some social agencies feel that it is discriminatory, in part, in the procedures that are used. Others think this is the most effective way to ferret out and find those illegal aliens that ought to be deported.

If I have to tilt, I will tilt toward the bill, but I recognize it is extremely controversial. And we will see what happens when it gets down to the White House. I am not making any firm commitment until we see the final bill, but it could be a way to help solve this problem.

Q. Many of us in the Christian television community attach a lot of significance to a candidate's religious commitments.

THE PRESIDENT. My family have been Episcopalians since before my lifetime. My wife and I both are, but I have taken a commitment in a broader sense, and I am proud of it.

Q. We have heard it said that you have lots of White House prayer sessions.

THE PRESIDENT. We have a number of prayer group meetings in the White House. I think it is once a week or once every other week. I go to those occasionally, yes.

Q. Mr. President, the El Paso-Las Cruces area is one of several in the country that is hoping to be selected as the site for the proposed Federal Solar Energy Institute. I think the worry is here that even if we can qualify for the technical qualifications, we may not have the voter population that some other parts of the country have.

THE PRESIDENT. The final decision will be made by the Energy Research and Development Agency (Administration) under Dr. Robert Seamans. They have put out the criteria by which the applications will be judged. Sometime in the latter part of 1976 a decision will be made. It will be made strictly on the merits. It is my understanding that El Paso, along with several other Texas communities, is interested.

There are some other applicants or prospective applicants around the country, but the final decision will be made strictly on the merits as interpreted under the criteria issued by the Energy Research and Development Agency (Administration). Dr. Robert Seamans is the head of that, and I will have full faith in his final judgment.

Q. Mr. President, Ronald Reagan's continued challenge of yourself for the Presidential nomination and the failure thus far of John Connally to endorse

your candidacy—do these two facts eliminate these men from consideration of possible Vice-Presidential candidates, and how about a Ford-George Bush sticker?

THE PRESIDENT. Well, as I have said many times, you have a lot of fine people here in Texas. John Tower is one who has committed himself and has an outstanding record in the United States Congress. George Bush, unfortunately, and very regrettably, when he continued to have his name before the Senate, in effect, took his own candidacy out. I think that was very unfortunate and very unfair, but that is what happened. Naturally, I would be very pleased if John Connally would endorse me, but that is a decision he has to make. I think it is premature at this time to establish any criteria for any Vice-Presidential candidate. I have to win first, and then we will make some judgments on that.

REPORTER. Thank you very much.

THE PRESIDENT. It is nice to see you all.

NOTE: The exchange began at 11:58 a.m. at the El Paso International Airport.

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Remarks and a Question-and-Answer Session at the Annual Convention of the Texas Grain and Feed Association in El Paso. *April 10, 1976*

Thank you very, very much, Mr. Jones. Senator John Tower, Mayor Henderson, members and guests of the Texas Grain and Feed Association:

It is really a very great honor and a very high privilege for me to have the opportunity of addressing this convention of your wonderful association, and I thank you very deeply for the opportunity.

Coming to Texas is always a special treat for me, and it is especially satisfying in the springtime. As we have traveled around Texas for the last day and a half, John Tower and myself, your countryside obviously is alive and humming with farm machinery of every description.

Spring is a time of new birth, new optimism, and this year there is a lot to be optimistic about. As the State which produces more cattle and grain sorghum than any other, Texas has played a very major part in one of the most successful farming years in America's history.

In fact, the last 3 years have been the highest net farm income in history, and that is a tremendous record. I don't think it is a mere coincidence that these 3

very successful years have been years when the Government left you alone and let you produce without a lot of bureaucratic interference from the Nation's Capital.

And I can promise you categorically that is the kind of successful farm policy that I intend to pursue for the next 4 years. Today, we have no longer any heavy farm surpluses hanging over your markets, costing the Government a million dollars a day in storage fees. Instead of piling it up, we are selling grain at a record volume. The Nation's grain reserves are now in the hands of the farmers and in the hands of the private trade. The system is working very well, and I congratulate you for it.

During the past year, your industry has been adversely affected to some extent by a few grain inspection agencies which have not carried out properly their responsibilities. It is absolutely essential that we maintain the confidence of our export grain customers who buy such a large percentage of America's farm production. But we must not, we cannot do it by turning over more of your business to a Government bureaucracy in Washington, D.C.

I strongly oppose—and I want to be emphatic and affirmative in this regard—I strongly oppose the so-called Humphrey-Clark bill, which would federalize the U.S. grain inspection service.

I favor instead an approach which provides for more careful Federal supervision of grading and weighing our grain for export. However, I do not believe that it is appropriate or necessary to extend this limited Federal participation to interior points.

Private concerns have for years operated country elevators in weighing and inspection services all across our great Union. The abuses which have been exposed do not implicate the internal operations at all, and I see no reason whatsoever to replace private interests with Government controls.

Furthermore, the Department of Agriculture has recently proposed broad, sweeping regulations aimed at eliminating conflicts of interest and ensuring a more efficient portside grain inspection system. I have urged Secretary of Agriculture Butz to devote the best and most comprehensive efforts of his department to ensure that the grain of American farmers sold abroad is properly certificated and that the integrity of our export efforts is restored to its proper position.

Abuses of the past have impaired our trade credibility and shortchanged the American farmer. We are working hard and we are working fast to correct these deficiencies, and I hope that Congress does not overreact by federalizing the entire system. In any event, I propose to put an end to corruption in the grain inspection business, and the sooner the better.

Furthermore, I am and will continue to be firmly opposed to putting your grain in the control of some Government board or international reserve. I am firmly opposed to subsidized imports. I don't want American farmers having to compete with the national treasuries of foreign governments.

I am just as firmly in favor of farm policies which yielded a \$21.6 billion agricultural export market last year, and it will be more than \$22 billion this year. I am in favor of policies which will enable you to export an estimated 48 million metric tons of feed grain, an alltime record, in the current marketing year. That is 12 million more than we exported last year and about 7 million more than we exported in the previous record year of 1973-74.

I am in favor of policies which will enable you to export between 1.5 and 1.6 billion bushels of corn during this marketing year, and I am in favor of policies which will enable you to export between 250 and 300 million bushels of grain sorghum this year, a record amount.

These policies are the ones this administration has followed for the past 20 months. And they are the policies we will continue to follow for the next 4 years to keep agriculture strong and keep it growing in this great country, the United States of America.

As you know, our domestic feed grain usage has not been expanding as rapidly as our export demands in recent years, but even domestically, where a short corn crop in the 1974-75 season resulted in a very substantial decline in feed grain use, we are steadily and constructively recovering.

The number of cattle on feed is sharply higher than a year ago, although it will be later this year before we can expect feeding rates to approach those of the early 1970's.

I suspect we will get into some of these particular matters in a little more detail during the question-and-answer period, but let me make one or two brief remarks and general observations.

With respect to our overall agricultural policies, I have appointed, as you well know, the Secretary of Agriculture, Earl Butz, as Chairman of my new Cabinet-level Agricultural Policy Committee. This Committee will have the central role in developing and directing our Nation's food policies. And with Earl Butz as Chairman, you can be sure that his strong, plain-spoken common sense and his advocacy of your interest will be well heard in the highest councils of government.

You will also be interested to know that Secretary Butz leaves tomorrow on a 10-day mission to promote the further development of our agricultural export

markets—or as Earl says, he's going overseas to drum up some business for the most prolific producers of food and fiber in the history of mankind, and he's a real advocate of what all of you truly represent.

I think all of you know that to a large degree, your success depends upon our country's success. When your country has economic problems, so do you. When your country has good relations with foreign nations, so do you.

The real decision that you and your fellow Americans will be making this year is whether or not America is on the right course for the future. The evidence strongly suggests that we are on the right course.

After suffering the worst economic problems this Nation has faced in 40 years, America is on the road to a new prosperity. Employment is going up, unemployment is going down. Sales investments, industrial production are all going up while inflation and the rate of growth in Federal spending are going down. In fact, they have been cut in half in the past 12 months. In addition, our balance of trade is the best on record.

Every single leading economic indicator today is a sign of progress and a sign of hope for America. We have pursued some very pragmatic, commonsense policies in the past 20 months that stress the revitalization of the private sector rather than relying on big government to cure our economic ills and increase its control over our lives. We must never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

My policies in the past 20 months have reflected that basic truth, and they have worked. They are still working, and we have a lot more progress in store in the months and years ahead. This is a promise that I can make with total confidence. And the watchword of this administration has always been to promise no more than we can deliver and deliver everything we promise.

Finally, we are pursuing the same kind of commonsense policies, internationally as well as domestically. America is at peace, and we are pursuing a policy of peace through strength, and it has been successful. Our strength is unsurpassed by any other nation on Earth, and let me assure you that I intend to keep it that way in the future.

Our military capability is fully sufficient to deter aggression, to keep the peace, and to protect our national security. But strength involves more than military might. A nation's real power is measured more completely by considering a combination of its military, agricultural, industrial, technological, and moral strength.

In every one of these areas, the number one nation in the world is the United States of America. We have every right and every reason to be confident and optimistic about our future. Even as we enter our third century of independence, I believe that the United States is in the springtime of its life. I am ready to meet the great challenge of the future with you, to fill that future with new achievement and a new life for the nation that we love so well.

That is my goal, and that is why I am asking you for your support on May 1, November 2, and in the years to come.

Thank you. I will be very glad to answer your questions.

QUESTIONS

GRAIN INSPECTION LEGISLATION

[1.] Q. Mr. President, I'm Dean Ray, I'm from Petulia, Texas. I'm legislative director of this association. I would like to ask the question that in view of the fact the United States has one of the most efficient grain inspection systems in the world that has worked well for over 50 years, one of the major concerns of this convention has been the bills now pending in Congress that would drastically change our inspection system.

If we can present sufficient information to you that most of the grain inspectors are doing an honest job of discharging their duties, would you consider a veto of the bills now pending in Congress and recommend to the Congress that they pass legislation that would preserve the free enterprise system of grain inspection with its good check-and-balance system of Federal supervision and grain grade appeals?

THE PRESIDENT. As I indicated during my prepared remarks, I am completely and totally opposed to the Humphrey-Clark bill. If that comes down to the Oval Office, the answer is categorically I will veto it. On the other hand, the House Committee on Agriculture has its version, which is a different version than the one that Secretary Butz presented to the Congress on my behalf.

Obviously, if the Congress was wise enough to support the bill that I recommended, I would have to sign it. [*Laughter*] But, I am not optimistic that they are that smart. [*Laughter*]

We will certainly listen to your recommendations if and when they get something down there.

ENVIRONMENTAL PROTECTION AGENCY

[2.] Q. Mr. President, I'm Flacke Fisher from College Station, Texas. I

would like to know how you propose to get this commonsense approach that you have mentioned into our EPA and Mr. Train? [*Laughter*]

THE PRESIDENT. Well, I recognize it is one of the most complicated and controversial problems, not only between agriculture and EPA but between industry and EPA, between communities and EPA. And I am not trying to duck it, because virtually every day, whether I meet with mayors, Mayor Henderson, or whether I meet with Governors, or whether I meet with industrialists and, now, with people connected with agriculture, they complain about the rigid regulations and the enforcement of those regulations by EPA.

I have to say to a substantial degree the Congress, in passing the legislation, required certain actions by EPA. They can only modify their regulations to a limited degree because they have to carry out the law. And it is my judgment that in a number of instances, the legislation upon which EPA predicates its decisions must be reanalyzed.

In fact, we are recommending that they do it in such as the Clean Air Act and some of the other areas. And there is a new water quality group under the Vice President that just made a report that recommended certain changes in the requirements for 1978 and 1981. Therefore, I think we have got to get some changes in the basic law, but in the meantime, I would hope that the head of EPA, Russ Train, would take a look at all of the areas—and there are some in agriculture—that in my opinion have to be reanalyzed under current circumstances.

The enthusiasm with which they were originally promulgated, I think, when they are analyzed in the cold, hard fact of reality, don't work. And therefore, we will do our best to get Mr. Train to review any and all that you or others think are unfair or inequitable under existing law.

TAX REDUCTION AND FEDERAL SPENDING

[3.] Q. Mr. President, how would you propose to solve the problem of the ever-increasing national debt? And along with this problem, do you think there is a possibility we could have tax reform that would give some relief to the middle Americans who are now carrying the burden or the greatest share of the burden?

THE PRESIDENT. Let me answer the last question first. Over the period of the last 10 or 15 years, the so-called middle class have been getting a worse and worse deal. The people in the lower or lowest income brackets got the biggest relief, and there was really no substantial impact on those at the higher brackets.

Those in the middle bracket, where most of the taxpayers are, have been getting, I think, short shrift.

Now, in the tax proposals that I submitted to the Congress last year where we would reduce overall Federal taxes by \$28 billion—three quarters of it to individuals and 25 percent to business—I recommended that the biggest rate reduction come in those categories from, I think it was, \$9,000 or \$10,000 up to \$25,000 or \$30,000.

That is the middle-income bracket, and they deserve the majority of tax relief as we move ahead and try to make more sense out of the internal revenue code. If I had my way with a Congress that would cooperate, that is the way I would do it.

Now, let's turn to the other question. As I recollect, when are we going to have a balanced budget, was that the question?

Q. What do you propose to do to solve the problem?

THE PRESIDENT. Well, let me tell you what I propose to do to solve our Federal fiscal problem—and it is a problem.

In the budget that I submitted in January of this year, I cut the growth of Federal spending by 50 percent, from an annual increase of 11 percent per year to 5.5 percent per year. If we can get the Congress to accept my budget proposals, we can have a balanced budget in 1979 and will, in addition, have a substantial Federal tax reduction.

Now, let me just tell you what the Congress has done so far. I submitted in January a budget for \$394 billion. That called for a 5.5 percent increase in Federal expenditures. Already in their preliminary work the Congress and the House and the Senate have—one a little more than the other—but basically they have indicated they are going to increase Federal spending to around \$411 or \$413 billion. In other words, instead of holding the lid on Federal spending, as I have requested, they have already in their preliminary estimates increased it by \$12, \$13 billion.

Now, to get to another approach—not by the budget, but by the bills that are sent down for me to approve or to veto. Since I became President 20 months ago, I have vetoed 47 bills. That is an alltime record. And Congress has sustained 39 of them, primarily with the help of people like Senator Tower.

But the interesting point is that with the 39 vetoes that have been sustained, we have saved the taxpayers \$13 billion. And I can say to you—and John, I know, agrees with it—if they keep sending them down, they are going to be vetoed again and again and again.

AGRICULTURAL COMMODITIES PRICES

[4.] Q. Mr. Ford, my name is Larry Douger, I'm from Temple, Texas, and I have a question for you. Do you believe in limiting farmer profits by Government intervention so that food will be cheaper for domestic use? And do you believe in limiting farmer profits by Government intervention for use of our food as bargaining power with other foreign nations?

THE PRESIDENT. I have vigorously opposed any efforts by Congress or economists or anybody else to put a price ceiling on agricultural commodities. I don't believe in wage and price controls, whether it is for agriculture or others. That is not the American system. I am against it.

Number two, I do not believe that American agriculture ought to be used as a pawn in international diplomacy.

Now, I know there are people in this audience who are then saying to themselves, if not speaking up: Well, why did you impose an embargo on grain shipments to the Soviet Union a year ago for 2 or 3 months? There are several very good reasons.

At the time that embargo—temporary as it was—was imposed, if we hadn't gotten those ships moving, you would have had grain piled high on the docks in Houston and New Orleans, you would have had trains stopped because they couldn't deliver any more grain to the ports on the Gulf and elsewhere. You would have had your elevators overflowing, you wouldn't have been able to handle, if this process had gone on for 2 or 3 months. And the courts of this country, in the course of handling those problems, I don't think would have operated quickly enough to solve that. That is one answer.

We got the grain shipped. We kept it from backing up on your farms or in your elevators. And number two, we ended up with a 5-year grain deal with the Soviet Union, with a minimum of 6 million tons per year.

Instead of having peaks and valleys, in 1972, as I recall, we sold to the Soviet Union about 10 million tons. The next year we went down to virtually nothing. The next year we sold a little more. The next year we went down to virtually nothing. This year at the time the embargo went on, we had sold 9.9 million tons. Since the embargo went off, we sold another 3.7 million tons for a total of around 13,600,000 tons.

Now, we have a firm commitment that you are going to have a minimum stable market of 6 million tons per year, and if they want to buy more, they can. But we have a guaranteed market for what you produce, and it's a lot better than having this peak-and-valley proposition. And that was all a part of the negotiating process.

I think when we look at the total, we came out of this in good shape, and I am convinced that over the long haul, it's in the best interest of American agriculture.

GRAIN EXPORT EMBARGO

[5.] Q. Mr. Ford, in your first response, you said that our products would have been backed up at ships and trains and other places. Was this because of labor unions, that we had to negotiate with them to move our products?

THE PRESIDENT. We didn't have to negotiate with them. They had instituted an embargo at the ports and some efforts were made—the Farm Bureau and several other organizations instituted law suits. But those law suits take time, and if the time had elapsed for the court processes to go through, it might have been 2 months, it might have been 3 months. And in order to break that logjam and to get the ships moving to sea and other ships coming in so you could unload the trains and the trains could take the grain from your farms and your elevators, we had to get some action.

And I think that was the practical way. And anybody that alleges or believes George Meany¹ runs the White House—I think most of you know that I vetoed the common situs picketing bill which was a bill that they wanted very strongly.

VICE-PRESIDENTIAL RUNNING MATE

[6.] Q. Mr. President, would either John Tower or John Connally be acceptable as your Vice-Presidential running mate? [*Laughter*]

THE PRESIDENT. The answer is unequivocally, yes. John Tower is one of my best friends. He is one of the outstanding Senators. He has gone sled length on my behalf in this campaign. I can't thank him enough for his efforts, not only for Texas, for the country and myself, but I think he is a great guy. Therefore, he surely would be one person that would be fully qualified and certainly a potentiality. And from John Connally's record, that you know as well if not better than I, obviously he would be qualified.

EXPORT ADMINISTRATION ACT OF 1969

[7.] Q. President Ford, my name is Owen Lafferty, from Whitedeer, Texas. I have read that by enacting the moratorium was against the administration export act, which was passed at an earlier time by Congress. Would you tell us what the administration export act states concerning export controls, and how the administration can legally violate this act by imposing the moratorium?

THE PRESIDENT. I obviously cannot quote the precise language, but I can as-

¹ AFL-CIO president.

sure you that before the action was taken that I had the advice of the legal authorities who did advise me that such authority did exist, and based on their legal interpretation of the basic laws, the temporary action was taken. I say I cannot quote you the language, but those lawyers studied it and their advice to me was that such authority did exist.

PRESIDENT'S ATTENDANCE AT FUTURE CONVENTIONS

[8.] Q. Mr. President, I'm Bob Skinner, executive vice president of the Iowa Grain and Feed Association in Des Moines, Iowa. What can our association do to get you to come to our convention in September? [*Laughter*] Our theme is, "Vote for progress and prosperity."

THE PRESIDENT. Well, we've got both of them. [*Laughter*]

I was out at the Iowa State Farm meeting this summer and spoke at the State Fair, so I have got a lot of friends in Iowa. But I am going to be out there again. I don't know whether I can come to your convention or not, but I will be in Iowa. Don't you worry, it is a great State.

Q. Thank you very much.

THE PRESIDENT. That is why I went to the State Farm in Des Moines last summer.

FOOD STAMP PROGRAM AND HEALTH INSURANCE LEGISLATION

[9.] Q. Mr. President, I would like to know what we can expect in the future on the food stamp program.

THE PRESIDENT. Let me just tell you some facts about the food stamp program, how it has grown. It was started 7 or 8 years ago. The first year the cost was \$2 to \$3, \$400 million. It will cost in this fiscal year \$8 billion.

Now, last summer I recommended to the Congress legislation that would cut that program in dollars by 1,600 million. At that time the Congress said, or a majority said, don't do anything to disturb it, and passed legislation to that effect. They said, don't do anything until January 1, we will do something.

So, January 1 came and it went on for 2 or 3 weeks, and they didn't do anything. So, I took the bit in my teeth and I submitted, through the Secretary of Agriculture, regulations that would, in effect, carry out what I asked the Congress to do which would result in 1.6 billion being saved.

The Senate finally, in the meantime, got a bill out of committee which was much less rigid, or less strong, and far less saving than mine; and then it went to the floor of the House and the Senate, and they made it worse, didn't they, John? And finally, they passed this Mickey Mouse bill which really doesn't save

much at all and isn't very constructive in approach. So, I don't know what the House will do about it.

In the meantime, the regulations that I have proposed have been published in the *FEDERAL REGISTER*. They can go into effect, I think, in another couple of weeks, and we can't wait for the Congress to act, particularly if they are going to do a bad job, which it appears they have done.

John tells me that the Senate version costs about \$500 million more. That is not going in the right direction. [*Laughter*]

So, we are going to go ahead with our regulations. And hopefully we won't be sued and won't be precluded from putting them into effect. But our program will save \$1,600 million. What it does is to take away the benefits from those families above the poverty line—and the poverty line just got increased to \$5,200 or \$5,300—and it makes more certain that families that are below the poverty line get better treatment. Now, that is the way it ought to run, and at the same time we can save \$1,600 million.

Q. Mr. President, Floyd Becker, Dallas, Texas. What, in your opinion, are the possibilities of a national health plan becoming a reality, and what is your position on that subject?

THE PRESIDENT. Let me see if I am sure I got the question. Do I favor national health insurance programs? Is that it?

Q. Yes, and would there be regulations in there that would, in your opinion, that would keep us from going broke trying to sponsor this thing?

THE PRESIDENT. I did not recommend to the Congress in the State of the Union Message, nor do I intend to in 1976, any national health insurance program. I don't think we can afford it during a budget year when we are trying to save money. I don't think we have it finalized to a degree that it is acceptable.

I think any plan that has been put together so far does not fit in with our understanding or our beliefs for the patient-doctor relationship. I just don't believe that the United States ought to embark on a program of that kind.

Let me add one other point. I have, however, recommended a national—not a national but a catastrophic health insurance program for Medicaid and Medicare people. There are roughly 25 million Americans who come under Medicare and Medicaid who are—about 3 million of them have in one way or another a catastrophic illness where the costs are high because of long hospital or nursing home care, or the costs are high because of operations or medical care.

I think we ought to help those people who are tragically hurt by these catastrophic illnesses, but it is a limited program to help those who see their savings gone and who are forced by these tremendous costs to, in effect, go on welfare.

I think that is wrong. You just shouldn't put that burden on them. So, I favor that, but not a national health insurance program.

AMERICANS DEFENSE OF FREEDOM

[10.] Q. Mr. President, would you comment on Solzhenitsyn² and his warnings about our dealings with Russia and the casual way in which we Americans seem to view our freedoms?

THE PRESIDENT. Let me answer the last part first.

I honestly don't think Americans casually treat their freedoms. I believe from my many travels all over the country that Americans believe very deeply in their freedoms and over the history of this country Americans—and thousands upon thousands of them have gone to war to defend those freedoms, and tragically we have lost a lot of great American youth in defending those freedoms.

So, the history of the United States is one of defense of those freedoms, and I believe, if the crisis ever arose—which I don't think it will—America today would be just as forthright and strong in meeting those challenges to our freedom as our predecessors have in the past. I am confident of that.

Mr. Solzhenitsyn has commented concerning the life that he and others live in the Soviet Union. He has forthrightly and strongly indicated how he feels, how he and others in the Soviet Union were treated. Obviously, he preferred our society where we think we have individual freedom to the conditions in which he lived. I think it is wholesome and healthy for him to speak out as forthrightly as he had on this subject.

U.S. MILITARY CAPABILITY

[11.] Q. I saw published recently a comparison of the military preparedness between the United States and the Soviet Union, and it appears that we may be rapidly losing the arms race with the adversary and it seems that in the recent past Russia has become much more aggressive in the world, in various parts of the world. So, what do you as President propose to do to keep this Nation a very strong nation and one that would not be overcome by the Russian power?

THE PRESIDENT. As I said in my prepared remarks, the United States is unsurpassed in military capability. Our strategic military strength is exactly what our military leaders have recommended to me as President and to my predecessors as President.

We have about a 3 to 1 lead over the Soviet Union in warheads, and warheads are what goes to the target, not missiles themselves. We have a far more accu-

² Aleksandr Solzhenitsyn, a Russian novelist.

rate ballistic missile capability, and that is very important. We have a much more survivable missile capability in the United States and our strategic aircraft. The B-52 is followed on by the B-1. We outnumber the Soviet Union by about 3-to-4-to-1. So, in the strategic capability, the United States is fully sufficient to deter aggression, to maintain the peace, and to protect our national security.

It is true—and this is a good illustration—that the Soviet Union has over 4 million people under arms. The United States has 2.1 million. But it is interesting to note that there isn't a soldier on the border between Brownsville and San Diego. We have a friendly neighbor to the south. There isn't a soldier from the west coast to the east coast on the Canadian-American border. We don't need soldiers for those purposes.

The Soviet Union, on the other hand, has better than 1,000 miles of very controversial border with the People's Republic of China. Half of their military capability is guarding that border. On the west, they have the NATO nations. They have the other half of their military force lined up against the United States and our allies. That is why they need twice as many people. They don't have friendly borders like we do. We can concentrate our military capability in a much more restricted way.

Now, let me add this: This country is unsurpassed. This country is going to stay strong. I recommended last year the largest military budget in the history of the United States. Unfortunately, the Congress cut it by \$7.5 billion.

In January of this year I submitted a much larger military budget, \$112.4 billion, the largest budget for the Army, the Navy, the Air Force, the Marines in the history of our country. And if the Congress is wise enough to carry out the budget that I proposed, there is no fear, under any circumstances, as to the military capability of the United States, period.

NOTE: The President spoke at 12:37 p.m. in the theatre at the El Paso Civic Center. In his opening remarks, he referred to George Jones, president of

the association, and Mayor Don Henderson of El Paso.

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Remarks at a President Ford Committee Reception in El Paso. *April 10, 1976*

THANK YOU very, very much John Tower. As John was speaking, I could see very obviously that you are the tops in quality, the tops in quantity, and by gosh, nobody beats you in energy. Congratulations.

We were talking on the way out from Dallas that I was here in El Paso in 1969 and made a speech on behalf of the Republican Party trying to raise some money for the congressional candidate, as I recall the State ticket. And I had a wonderful experience; a great opportunity to meet, I am sure, some of you at that time.

I am honored and privileged to be back here to speak—as I did to the grain organization a few minutes ago—to have an opportunity to shake hands and speak to all of you here and then to participate in a memorial ceremony for some Vietnam veterans.

This is a great opportunity for me because I know that you can, as John indicated, with the effort that can come out of this group, elect those four delegates to the national convention in Kansas City. We start out, I think, in Texas an underdog, but we have got a great leader in Senator John Tower. And as I travel around, I am convinced we have got a real fine organization. And I believe we have got the right policies for America both at home and abroad. And with that combination, we are going to win.

I know, as many of you man the phone banks or talk to your friends or discuss with some of our adversaries, you want some talking points that will give you the kind of convincing ammunition so that we can persuade people to support our delegates that are on the ballot.

Let me give you very quickly some things that have helped Betty and me as we have gone to New Hampshire, to Florida, to other States and volunteered for a limited period of time to call people. The things that seem to have an impact are: Number one, when I became President 20 months ago, we were having inflation at the rate of 12 percent or more. Today it is 6 percent or less. That is a lot of progress. It is not enough, but the trend is going down and we are going to keep it going down. Then the question arises about unemployment. I had no longer been President than 30 days or more when we were capitulated into the worst economic recession that this country has had in 40 years. Of course, the seeds for it had been planted before. But all of a sudden unemployment soared and employment plummeted, and the net result was some people got panicky.

But I decided that the right course of action for this country was not to load up the Federal payroll, but to try and create an economic climate in this country so that the jobs that had been lost could be regained in the private sector under our free enterprise system, and it is working.

Here are a few statistics that might be helpful. In the month of March of this year, we regained 375,000 new jobs in America. Since last May, we have regained 2,600,000 jobs. From the depth of the recession to the month of March, and in

the total number of jobs in the United States today, we have 86,700,000, an all-time record. We are doing something right, and we are going to keep on doing it right, so we can keep that employment going up and unemployment going down.

Then, if somebody should say, why doesn't President Ford balance the budget? Let me tell you what we are trying to do. Since I became President, I vetoed 47 bills. That is an alltime record. And if Congress is so unwise to keep sending down these bloated appropriations bills, we will veto them again and again and again. It just might interest you to know that by the vetoing of those bills—and the Congress sustaining 39 of the 47—we have saved the taxpayers \$13 billion. That is a lot of dough.

Now let me make a comment or two about where we stand internationally and in defense of the United States. In January of 1975, I submitted to the Congress the largest military appropriations bill in the history of this country. Unfortunately, the Congress cut \$7.5 billion of it. In January of this year, I submitted an even larger military budget of \$112.4 billion. I hope the Congress won't cut this one. All I am citing is that every year since I have been President we have sought to maintain and to strengthen our strategic and conventional forces. Let me assure you of one thing. Our military capability in the United States is unsurpassed by any other nation in the world, and we are going to keep it there.

When you add up our military capability, our industrial capacity, our agricultural production, our scientific and technological superiority and, most importantly, our moral and religious and spiritual leadership, the United States is number one. And we are going to keep it there, period.

I hope a few emphatic points like that will convince a few "doubting Thomas' " so you can go out and get better than 51 percent votes for those four stalwart delegates that come from this congressional district. I am going to be watching you. [*Laughter*] And I am going to count on you. And we won't let you down.

Thank you very much.

NOTE: The President spoke at 1:28 p.m. in the El Paso Room at the El Paso Civic Center. He was

introduced by Senator John G. Tower, chairman of the Texas President Ford Committee.

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**Remarks at a Bicentennial Commemoration Ceremony in
El Paso. April 10, 1976**

Thank you very, very much, Senator John Tower, Congressman Dick White, Mayor Henderson, Mayor Lezama, Mrs. Barnes, Reverend Nichols, distinguished guests:

It is a great privilege for me to be here today dedicating this memorial, which honors those men from El Paso who gave their lives for their country. Let me thank the Gold Star Mothers and the El Paso Bicentennial Commission for sponsoring this very important, this very dramatic occasion.

I extend my particular thanks to Mrs. Barney Barnes for her very kind letter of invitation, and I commend her sons, Stanley and Mark, both students here at Parkland High School. It was their efforts which resulted in the bronze plaque that we dedicate today. They were motivated by the memory of their brother, Corporal Charles Barnes of the United States Army who was listed among the 203 men whose memory and bravery we honor.

In a larger sense, we are paying tribute to all those Americans who died for their country and to Americans throughout our history who paid the very highest price for the sake of our liberty.

This ceremony should make us realize how precious freedom is and how dearly Americans have paid for it from the first battles for independence down to the very present.

This ceremony should also make us thankful for peace we now enjoy. Not one American serviceman is fighting in any part of the world today. Not one American mother or wife or daughter, father, brother, or son lives in constant fear of losing their loved one.

And today, as we dedicate ourselves to preserving the peace and freedom for which these men died, we must also dedicate ourselves to preserving the peace they died to secure. Peace today has a very special significance because war today has a very special terror. A thermonuclear war today would mean death and destruction on a scale so vast that we can hardly comprehend it. We can avoid this holocaust, and we will avoid it if we keep American strong, not strong for the sake of war, but strong for the sake of peace.

This concept is as old as our great Republic. George Washington told us—to be prepared for war is one of the most effectual means of preserving the peace. We are prepared today, we will stay prepared. We are strong today, and we will stay strong today as well as tomorrow.

But true strength demands true responsibility and keeping the peace means keeping our commitment to avoid constant and reckless confrontation, to weigh our words carefully, knowing what hangs in the balance.

In my very first words after taking the solemn oath of office to preserve, protect, and defend the Constitution of the United States against all enemies, I pledged myself to an uninterrupted and sincere search for peace. I said that America will remain strong and united, but its strength will be dedicated to the safety of the entire family of man as well as to our own precious freedom.

Today, on this solemn occasion, I repeat that pledge, to work for a world where the foundation of peace is mutual self-interest instead of mutual terror, to reduce world tensions through patience and perseverance, rather than increase those tensions with hot words or rash acts. Where there is conflict, let us try conciliation. Let us attempt to work out our differences on the negotiating table rather than in a desperate duel that would leave the world in ashes.

You have placed your memorial at the base of a flowerbed. It is an appropriate setting, for the flowers are a symbol of life. To honor the memory of those who fought for freedom, you will keep those flowers blooming, and together we will keep America strong, at peace, and forever free.

Thank you very much.

NOTE: The President spoke at 3:20 p.m. at the War Memorial Plaza after unveiling a plaque commemorating El Paso servicemen who gave their lives in defense of their country.

In his opening remarks, he referred to Senator John G. Tower, chairman of the Texas President Ford Committee, Mayor Don Henderson of El Paso,

who presented the President with the Conquistador Award and the key to the city of El Paso; Mayor Raul Lezama of Ciudad Juarez, Mexico, Mrs. Magdalena Barnes, president of the El Paso chapter of the Gold Star Mothers, and Rev. Charles Nichols, pastor, North Gate Christian Church of El Paso.

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Remarks on Arrival at Amarillo, Texas. April 10, 1976

Senator Tower, Mayor Drummond, my former colleague in the Congress, Bob Price, distinguished guests, ladies and gentlemen:

It's great to be back in Amarillo. And the truth is, I have been here before. And I like the people and this tremendous crowd here tonight on a Saturday evening when I am sure you might have been doing some other things. It just is great, and I thank you all from the very bottom of my heart. It is wonderful. Thank you very, very much.

As I indicated, I have been to Amarillo on several occasions, and every time I come back, I see a greater spirit, a more wonderful drive, and I love those kind

of people. I like to see progress, and you in Amarillo have the right spirit; you have the right objectives; you are agriculturally oriented; you do the best. You have got some oil and gas, you are doing well. You have got some retail, wholesale centers, and you are doing darn well there. Amarillo doesn't do badly in anything, and I am proud of you, and so should you be.

You know what it all comes back to, it's the right kind of spirit. If you think you can do something, and if you work at it, you can accomplish it.

And now let me relate that to what we have tried to do in the last 20 months since I have been President. Let your mind go back to August of 1974. We were in trouble. We had inflation at 12 percent or more, we were about to fall into the worst economic conditions, the worst recession we have had in 40 years. We had our allies abroad concerned about whether the United States would stand tall and strong. We had some adversaries who might have been tempted to take advantage of a new President.

First, we decided that we weren't going to panic, we weren't going to let the Congress smother us with some quick-fix legislation in order to get a superficial answer to our economic problems.

We decided that the best way to get jobs for Americans, to lick the inflationary problems, was not to add thousands and thousands and thousands of people to the Federal payroll, but rather to try and find a way to provide an incentive for the private sector, where five out of six jobs are available anyhow.

So what has happened in 20 months, I think we can be darned proud of the progress we have made. Inflation has been cut from over 12 percent to about 6 percent, and it is going down. A year ago unemployment was a terrible problem—8.9 percent unemployment. In the last 12 months, we have taken employment up 2,600,000 more jobs. Last month, we added 375,000 more jobs in the American economy. Unemployment is going down, and employment is going up because we decided to stick with the free enterprise system instead of having the government try to satisfy the problems.

But you know we also had a little pressure from Congress. Congress wants to spend money like you just haul it out of those wells. I don't know what your well situation is here, but in Michigan, I tell you, we have lots of them, and the Congress wanted to spend money like it was water. And believe me, that is not the way to balance the Federal budget. It is not the way to reduce your taxes. So, what we decided to do was veto all the big, budget-busting bills that Congress sent down. We vetoed 47 of them and 39 of them have been sustained. The best news is that we saved you \$13 billion by those vetoes that Congress sustained, and \$13 billion in savings is worth the effort. And I thank you for supporting us

in that attempt we have done. I might say to the Congress if they send down some more bills that bust the budget like that, we will veto them again and again and again, period.

Now, let's talk about where our country—and I speak of it as our country because 215 million Americans have a great stake not only in the peace we have but in the peace that we want to keep, not only in the liberty we have and the freedom we cherish at this time but the freedom and liberty that we want for these young people that I see in the audience here tonight.

The United States today, and I say this with firmness and very direct—talking to you in the way that I think you understand—the United States of America is unsurpassed in military capability, and we are going to keep it that way.

If we take a broad look at this country with an unsurpassed military capability, with the tremendous industrial base and capacity that we have, with the agricultural production that is by any standards the greatest in the history of the world, when we look at our scientific and technological progress, our superiority in these areas, and when you add that important ingredient of moral and spiritual and religious dedication, the United States of America is number one. And we are going to keep it there.

As I look around this wonderful crowd—and it is an inspiration to be here—I just know that all of you represent the finest in all of our society out of 215 million Americans. You are strong, you are dedicated, you believe in our system of government, you believe in our economic system. You don't want a handout from the Federal Government, you want your Government to create the environment and the atmosphere that makes us great in the future like it has been in the past.

One of the basic truths that I think we all have to understand—and this audience I know feels as I do—that basic truth is: A government big enough to give us everything we want is a government big enough to take from us everything we have.

So, we want our Government to create the atmosphere that gives all of you in Amarillo, and all of your fellow Americans all over the country, the opportunity and yet the responsibility to make America a better and better country.

But, in the meantime, we should stand tall and strong and say we are proud to be Americans and we are proud of America.

Thank you very much.

NOTE: The President spoke at 7:02 p.m. at the Amarillo Air Terminal. In his opening remarks, he referred to Senator John G. Tower, chairman of

the Texas President Ford Committee, and Mayor John C. Drummond of Amarillo.

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Exchange With Reporters in Amarillo. April 10, 1976

GOOD EVENING. I would be delighted to answer any questions from the local press, and particularly from the pretty girl here.

REPORTER. Texas farmers are very concerned about policy. Not many of the Presidential candidates are really speaking to the problems of the farmer. What kind of specifics do you have for the wheat farmer, who is losing money right now?

THE PRESIDENT. Unfortunately, there are some wheat farmers who, because of weather and other problems, may have had a bad crop in the winter wheat situation. But we have a crop insurance program, we have a disaster program to help the unfortunate farmer who has lost a crop because of the weather or other unforeseen difficulties. We'll make certain, we'll make positive that those programs move in and take care of those emergency situations. There is no question the Federal Government has a responsibility, and we'll do our best.

Q. Mr. President, how much do you think the pardoning of Richard Nixon will hurt you in the campaign?

THE PRESIDENT. I don't think it will hurt at all. I think most responsible, thinking people believe that it was far better to get that chapter of American history out of our system and to tackle the problems that we had—the high inflation, the prospective unemployment, the reassurance of our allies. Those problems were infinitely more important than having a dragged-on, legal battle that undoubtedly would have been the case. So, I think most responsible-thinking Americans understand that it was the right decision.

Q. You just said that we are unsurpassed in military supremacy. Why did Mr. Reagan accuse or say that Mr. Kissinger said that?

THE PRESIDENT. Well, anyone who knows the facts knows that the Soviet Union does not surpass the United States in military capability. Our military forces, when you consider the Army, the Navy, the Air Force, and the Marines, are unsurpassed by any foreign government. We have the most survivable missile system. We have the most accurate ballistic missile system. We have 3-to-4-to-1 warheads over the Soviet Union, and it is warheads, not missiles, that do the destructive action on another enemy or another force. Anyone who says that the United States is less than number one doesn't understand all the facts.

Q. Mr. President, who are some of the Vice-Presidential hopefuls you are looking at?

THE PRESIDENT. Well, we are looking at a whole number of Vice-Presidential potential candidates. We have some outstanding Members of the United States Senate, the House of Representatives, Governors, former Governors, people in public as well as private life. But I think it is premature to start winnowing down the field. We expect to win in Kansas City. I am certain we will, but until we get closer to it, I think, it is premature to make any decision.

Q. On this defense budget, I read the paper this morning about your budget, especially the arms authorization. What is this going to have to do with our taxes in the future?

THE PRESIDENT. Well, the House Armed Services Committee added, primarily, some extra money for some naval shipbuilding. We are delighted to have the Congress take such action, and I was pleased that the House as a whole seemed to reaffirm what the House Committee on Armed Services recommended. We are going to have some specific recommendations for perhaps some extra shipbuilding in a month or two, but in the meantime I certainly don't object if the Congress wants to do as they have done in this case.

Thank you all very much. It's great to see you, been a pleasure to be here.

NOTE: The exchange began at 7:14 p.m. at the Amarillo Air Terminal.

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Remarks at the Northern Texas Panhandle Lion's Club Dinner in Amarillo. April 10, 1976

IN THE many years that I was privileged to represent my congressional district in the State of Michigan, one of the favorite annual groups that I had the opportunity to discuss the difficulties, the problems, the prospects, the optimism about Washington was the Grand Rapids Lion's Club. After I had done that for 25 years they finally made me an honorary member. [*Laughter*]

I have two brothers who are members of the Lion's Club, so the Ford family feels pretty close to all of you. I know what the Lion's International stands for. You have great objectives. You have wonderful programs and policies at the local level. I can tell you from personal experience—and I have spoken to many Lion's Clubs—you have outstanding people who believe right, do things right, and get things done.

So, let me just say to you it has been a great day and a half to be in the State of Texas. We started in San Antonio, went to Dallas and to El Paso, we are here in

Amarillo, and we are going down to Canyon. We will get home, I guess, about 2:30 Palm Sunday morning.

But it has been a great experience. I have been in Texas a good many years. But I am deeply grateful for the opportunity to meet so many people in this 2-day period and to stop here and see all of you.

We will do our best as President. We hope we have a friend or two in the State of Texas, because we think our policies both domestically and internationally are good for America and good for the country and good for all of you and good for the world as a whole. And we will do our very best to maintain that record.

Thank you so much.

NOTE: The President spoke at 8:14 p.m. at the Hilton Inn.

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Remarks and a Question-and-Answer Session at a Public Forum at West Texas State University in Canyon, Texas. *April 10, 1976*

Thank you very, very much, Dr. Watkins, Senator Tower, my former colleague and very old and dear friend, Bob Price, Mayor Bryan, Miss Strecker, distinguished guests, students, faculty, wonderful people from Canyon, Texas:

It is a great, great evening, and I am delighted to come here at the conclusion of 2 wonderful days and have the inspiration of all of you great people from West Texas State University in Canyon, Texas, and thank you for the very, very warm welcome.

Not long ago you probably know that I spent a little time in Florida, and some of my friends in the Miami area, as I was campaigning down there asked me to bring you a message this evening, a message to the Buffalos. [*Laughter*] They asked me to thank you for sending them Mercury Morris. [*Laughter*]

I have got a long speech here which I have read over, and it is a very good speech, but I would rather sort of discard it and let the press—they have all written about it anyhow—[*laughter*—] stand by their stories and make a few observations and comments. And then I would more thoroughly enjoy and far greater benefit from your questions. So, if you will excuse the discarding of the text and let me say a few things, and then we will get to the questions. It would be much more enjoyable from my point of view, and I think it would be a fine climax to 2 great days here in the State of Texas.

I have read about West Texas State University, and back a long time ago at the University of Michigan, I played a little football and have had a long and continuing interest in athletics. And I still read the sports page first because you have got a 50-50 chance of being right on the sports page. [*Laughter*] On the front page, those odds change. But anyhow, I have watched, you know, the progress of those that were in the top 20 or top 10 in basketball. Michigan sneaked up there and almost made it, but you had a good season, you are going to do better next year. Good luck to you.

As I travel, I make a very determined effort to come to college and university campuses, because I think the future of this country is among our young people. I have a lot of faith, I have tremendous belief in what the younger generation of this country is going to do in the years ahead.

I know that a period of time over the last 10 years there was some lack of rapport between the younger generation and some of our older generations. But as I travel and visit college campuses around the country, I find that there is a strong belief among younger people today that our form of government, that our form of economic development, that our aims and ambitions, our hopes and aspirations are what appeals to them, because America, as you look at what we have and what we have gone through and what we can expect, by any standard, comparing us with any other country, America is a great country. And you will make it even greater. We know it and you know it, and it will be a country that is better than anything we have had and better than anything we can compare it with.

We have gone through a tough period. Twenty months ago when I had the honor and privilege of becoming President, we were suffering some severe economic problems, inflation virtually out of control. We were sliding in at that period, even then, into the worst economic conditions this country has had in 40 years. Employment was beginning to drop, and unemployment was beginning to rise. Many people said the answer to our problems was to load up the Federal Government with thousands and thousands and thousands of more employees, to spend ourselves really, virtually into bankruptcy. There were these critics who said we were going to have unemployment of 10 percent. There were those who were, as doomsayers, saying that we were going to have a depression like we had in the thirties, and some of us can remember it very vividly.

But the American people didn't panic. The American people didn't buy these quick fixes that look good on paper but hadn't worked, never will work. The American people believed in the free enterprise system. The American people

believed in our Government, and the net result is the skies are getting brighter, everything that should be going up is going up, and everything that should be going down is going down. Employment is going up; unemployment is going down. The rate of inflation is going down, and the American people have confidence again.

One survey after another in recent weeks indicates very clearly that the American people have again the faith and the belief in our system, not only economic system but our political system, and believe me this is what will make America what our forefathers wanted it to be and what we can make it be.

But we have responsibilities around the world that fall on our shoulders. Not that we necessarily in every instance want them, but fate has decreed that the United States has a responsibility to work with our allies, to negotiate with our adversaries, to help the less advantaged, to make this globe in which we live not only a better place for us but a better place for all people.

And as we look around the globe today, I think we can say that despite a problem here or a problem there, the world is getting a better place in which to live. It may take longer, but we should never give up the ambition and the hope and the aspiration for that.

Now, one quick comment or two about what I try to stand for. One principle: I will never promise more than I can deliver, and we will deliver everything that I promise.

There is one basic truth that I believe in. I think it cuts across all the rhetoric that most people use. It is a basic truth that is so fundamental, and I state it this way: We should never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

Finally, I think as Americans we can stand tall and strong and say without hesitation, qualification, or reservation, when we look at what we have gone through for 200 years and what we have gone through for the last 20 months, we can say individually and collectively, we are proud to be Americans and we are proud of America.

The first question.

QUESTIONS

BETTY FORD

[1.] Q. Mr. President, I understand that Mrs. Ford has a CB radio, and I was wondering what her handle is. [*Laughter*]

THE PRESIDENT. This is a matter of very high discussion among the Ford family. I am sure what she decides it should be it will be. And I am sure when it is decided, it will be public very quickly. [*Laughter*]

BOOK ON NIXON ADMINISTRATION

[2.] Q. I would like to know what your views are on the new book by Bob Woodward and Carl Bernstein, "The Final Days?"

THE PRESIDENT. I haven't read the book. I was not interviewed by Mr. Woodward or Mr. Bernstein. I can only personally testify as to the parts that I understand he wrote concerning the last few days where I was in a position of moving from Vice President to President. It appears from what I have heard—and I haven't read it—that it is reasonably accurate. It seems, as I understand it, to coincide with the testimony that I gave to the House Committee on the Judiciary in October of 1974 when they asked me to come up and testify as to that period.

I hope that the book is accurate. I am not qualified to pass judgment on all of the incidents or stories that are alleged. In some way I am a little saddened. I am not sure that going back and writing that tragic period in our history is necessarily good, but if it is accurate, that is the record. If it isn't, I think it is very, very tragic. And not having read it, I can't testify to anything more than that.

FEDERAL ESTATE TAXES

[3.] Q. Mr. President, we—the farmers and the ranchers of the Panhandle—have really inherited a rich and fulfilling future but we have also inherited some problems, just as you yourself have. But we feel that without the passage of the Burleson-Curtis estate tax bill we are going to have—raising the floor from \$60,000 to \$200,000—we are going to have trouble affording to inherit, or have trouble affording this inheritance. Would you elaborate on this, and would you tell us if you plan to sign this bill as it is coming in out of the committee going to both Houses, and it should go across your desk in the next several months?

THE PRESIDENT. I fully recognize the need and necessity for increasing the exemption in our Federal estate tax. As a matter of fact, in January of this year, in my State of the Union Message, I indicated that we had to give some relief if we were going to permit owners of so-called family farms to pass them on from one generation to another or small businesses to pass the controlling interest in small businesses from one generation to another.

At that time, I recommended that we ought to have a 5-year moratorium in the payment of any estate taxes—no payments would be made under the estate

tax laws—plus a 20-year annual payment of whatever the taxes were on annual increments at a 4-percent interest rate. In checking into the matter further, we have made an additional recommendation that would take that \$60,000 exemption which was passed in 1942 up to \$150,000. Now, that is a modification of the so-called Burleson bill. I know that arguments can be made that it ought to go to \$200,000 rather than \$150,000. I know that other figures can be used that might even take it higher than that.

All I can say is I understand the problem. We have submitted what I think is a good increase in the exemption, particularly with the phasing of the payments, if any, beyond the \$150,000 so that, in effect, the Federal Government is financing the transfer over that rather than forcing the new generation to go to the banks.

So, I think our proposal is a good one. If the Congress wants to modify it, of course, we will take a look at it. You have no hesitancy to believe that I honestly feel very strongly that we have got to make changes along the lines we have discussed, and I don't think we are too far apart.

NATIONAL HEALTH INSURANCE PROGRAM

[4.] Q. Mr. President, pertaining to the three national health insurance plans that the Congress has been discussing, which of the three are you for and would you support?

THE PRESIDENT. Are you talking about national health insurance?

Q. Yes, sir.

THE PRESIDENT. I am not sure we can identify three. We have had the Kennedy proposal, which up until this year was the Kennedy-Griffith proposal, which would have encompassed a total federalization of the health delivery system of the United States. It would have put the Federal Government in the patient-doctor relationship. It would have in effect made the Federal Government collect the payments or the taxes and handle all the monetary transactions and really control medicine in this country. I am opposed to that program, period.

And if you go from that extreme, you can go to the attitude that nothing should be done. I think not now, maybe not for 3 or 4 years, there is a potential that we could utilize the private health insurance companies. They are good, they cover now about 80 to 85 percent of the American people, and the Federal Government could utilize their capability, their experience, and have, in effect, total coverage. That is, I think, a possibility. But even in that instance we can't go to it now until we get our Federal finances underway—straightened out, I should say.

Now, I should add a postscript. I suspect that many people in this audience tonight are familiar with what we call instances of catastrophic illness where a person in a family, old or young, or a neighbor, a friend, a relative, or even in your own family, has suffered tragic illness where the costs are unbelievable; they wipe out the resources. It is my feeling that under Medicaid or Medicare some 3 million people who have had that tragedy ought to be covered for what we call catastrophic illness care. I favor that, but it is a very limited number of cases; but they are the saddest most tragic in our society.

So, I have recommended that, but that is a far cry from total coverage of what we call national health insurance. We have an obligation to find a mechanism to take care of those who have catastrophic illness, and I will push for it. I will fight for it because I think it is right, and I think it is justified. But other than that, no, at this stage, anyhow, any national health insurance program.

E. HOWARD HUNT'S PETITION FOR PARDON

[5.] Q. Mr. President, I understand that you will be receiving a petition from E. Howard Hunt next month concerning a pardon. How do you intend to reply to Mr. Hunt's appeal?

THE PRESIDENT. I am not familiar with that petition. That petition will be handled just like any other request. It will go through the Pardon Attorney's Office in the Department of Justice. It is a well-established office that has years and years of experience in handling pardon requests. If and when they make a recommendation to me from the Office of the Pardon Attorney in the Department of Justice, of course, I will consider it. But for me to prejudge that without having their recommendations, I think, would be unfair and improper. I can only say he, along with everybody else, will get the same consideration. And if it comes to my desk, we will give it the same consideration any other person in our society would get.

FARM POLICY

[6.] Q. Mr. President, quite frankly, I am nervous as a cat at a dog show. [Laughter]

THE PRESIDENT. So was I when I came in.

Q. I am from Memphis, Texas, and I am from the agriculture part of the country, as we are in the whole State. And I would like to ask you what you feel about the farm programs or what type of farm programs might you favor in the next Congress?

THE PRESIDENT. Well, during the 25-plus years that I served in the Congress, most of the time the Congress perpetuated those farm programs where we had

the Government running virtually every farm in America with acreage limitations, price supports, et cetera. And the net result was we had vast surpluses of wheat and corn, et cetera; and these vast surpluses were costing the Federal Government about \$1 million a day in storage fees, and they were depressing the market where farmers were trying to sell their commodities.

I think those programs were wrong. And about 3 years ago, we went to the current farm programs where the net result is farmers produce for the open market, where we have no surpluses, and where American agriculture has shown that it can out-produce any other country in the history of mankind, where we sell about \$22 billion a year of American agriculture all over the world.

It has been the greatest insurance for us in the balance of trade to offset the importation of foreign oil. This present farm program, which I think is a good one, is going to expire next year. And next year, as President, I am going to recommend the extension of this program for the next 4 or 5 years. I think it is sound. I think it is good for agriculture. I think it is good for America, and I think it is good for the world.

COMPETITION IN AMERICA

[7.] Q. Mr. President, you being an ex-football player and presumably a BMOC [Big Man on Campus]—

THE PRESIDENT. You are giving me a big buildup. [*Laughter*]

Q. Well, that is all I know about you so far. [*Laughter*] What is your concept of winning in America, your concept or your philosophy about America has to come first in everything and win?

THE PRESIDENT. I did compete in athletics at the University of Michigan. I competed athletically as well as scholastically. I have competed all my life. I think competition is good. It has to be fair. But competition stimulates me, and I think it stimulates the vast majority of Americans to do better.

And the net result is our country has advanced more rapidly and in the process of advancing more rapidly, we have done more things for more people in this country than any other country in the history of mankind—materialistically. But we haven't lost our spiritual and moral and religious dedication, either.

So, competition, if it is within the rules, is good for each of us. And I think it is good for our country to compete with other countries because in that process we have advanced scientifically and technologically. We have, as a consequence, improved our capability to produce in agriculture, in industry. This competition has helped us retain our form of government which, by any standard, is the

freest in the history of mankind. So, I am a believer in competition. I can be a good winner, and I can be a good loser, but the competition is good, and I hope we never lose it in America.

VETO OF CHILD DAY CARE LEGISLATION

[8.] Q. Mr. President, first I want to thank you for vetoing the irresponsible child care bill.

THE PRESIDENT. Thank you. That was number 47. I think the Congress will sustain it because it is bad, I think, organizationally speaking. I think it is bad for many other reasons, plus it just was another instance of the Federal Government setting standards and preempting the right of individual States to set standards when the record is very clear that States do set high and responsible standards, dependent upon the circumstances in each State. And there is no reason whatsoever why the Federal Government had to set a national standard in this area. So, it wasn't hard to veto it.

SMALL BUSINESSES

[9.] Q. Mr. President, I understand that over 90 percent of our Nation's businesses are self-employed and family businesses, yet our politicians insist on referring to this large segment of our economy as small. Is it possible, Mr. President, to begin action in Washington to remove the stigma of "small," a most repugnant title placed on this most energetic segment of our economy? The IRS at least refers to us—I must include myself—as self-employed. It sounds better.

THE PRESIDENT. I don't get the impression in Washington that we consider small business or the self-employed as a title of stigma. If I can recall the many debates on the floor of the House of Representatives and discussions I have had with the Democratic and Republican leadership in the Cabinet Room, Members of Congress as well as myself honor and respect small business, including the self-employed.

Most of the condemnation that you are getting today, some of it fair and much of it unfair, comes at what we call conglomerates or massive business organizations that employ literally thousands and thousands and do billions of dollars worth of business.

I think the Congress, as well as we in the executive branch, are grateful for and appreciate tremendously the contributions of small business. You are not going to be hurt by anything done by us or in the Congress, I can assure you of that.

FEDERAL ENERGY POLICY

[10.] Q. Mr. President, a year ago I wrote you a letter on how us kids should get involved in the energy crisis, and I received a letter in return. Now, I would like to know what the Government is doing to conserve our energy for our future?

THE PRESIDENT. That is a very good question, but let me answer it this way. About the time that you wrote me that letter a year ago, maybe a little longer, I submitted to the Congress a comprehensive energy program aimed at achieving energy independence for the United States by 1985.

There were two basic concepts: One, the stimulation of more production of energy in the United States on the one hand and, secondly, to conserve energy on the other. Among those legislative proposals to stimulate more production, I recommended the decontrol of domestic oil production and the decontrol of natural gas production.

Unfortunately, the Congress, after pulling and hauling for about 12 months, finally sent down to the White House, the Oval Office, a marginally acceptable oil bill, which I with some reluctance signed. I signed it because it had some provisions which were very helpful in the conservation field, and it had some advantages over a period of time of decontrolling our domestic oil production, a 40-month period. I can assure you I will use every possible provision of that legislation to accelerate the decontrol of the domestic oil industry. Secondly, the Congress has not acted on deregulation of natural gas. The Senate passed a good bill, the House passed a terrible bill, and I am afraid they are at loggerheads.

But now let's turn to conservation. In the energy proposals that I submitted, we recommended about eight individual items that would conserve energy. Congress passed four of them. They are being implemented, and it is encouraging to note that our domestic utilization of oil and gas, energy as a whole, is down about 2 percent from 1973 and 1974. Now, some of that has come about because we have had an economic recession. I concede that. But actually, if you compare it, 1975 to the 2 previous years, the American people did quite well. They drove less fast, or drove slower; they turned down their thermostats; industry had a great program of using less energy in the manufacturing of their products.

In many, many ways the American people undertook a good conservation program, not as well as we would have liked, but we did make headway, and if we can get several more pieces of legislation, I think, we will do even better.

We have to conserve, we have to stimulate our domestic production of oil and gas, we have to spend money in research and development, in the exotic fuels, solar energy, and I might quote for you, if it would be helpful: 2 years ago we spent about \$40 million in research and development for solar energy; this year we are spending \$116 million, and next year \$160 million.

This is a great potential. Your Government is making a massive effort to the extent that we can to conserve on the one hand and to increase production on the other.

Q. Mr. President, we have time for one more question.

THE PRESIDENT. Oh, gosh, can we take a couple more? If you can stand it, I am enjoying it. [*Laughter*]

PRESIDENTIAL LEADERSHIP QUALITIES

[11.] Q. Mr. President, what qualities in a leader do you deem necessary for a person in the Presidency to possess? As we go to the polls as voters in November we need to be aware of these qualities of leadership.

THE PRESIDENT. From my 27-plus years in public life—25 years in the Congress and 2-plus years as Vice President and President—I would summarize it this way: I think a person in public life has to be honest with himself and frank and candid in his relationship with people, whether he represents a congressional district or represents the 215 million people in the United States. That is number one.

Number two, I think there has to be a basic intelligence that is related to your education, whether it was in school or whether it was in the business world or whether it was in your profession. You have to have not only an educational background but an experienced background. Experience is vitally important as one sees day after day the kind of problems that come across the President's desk.

I can assure you that it is not an 8-hour day, and don't get me wrong, I love it. I can't wait to get to the office every morning, and I don't go home tired and worn out and otherwise unhappy at night. But I think you have to have some experience because the wide spectrum of problems that come to the desk—say yes or no, you seldom can say maybe. You have to have experience, you have to be able to make decisions decisively, you have to have a capability of coming forth with constructive suggestions to solve our problems.

You can't sit back and say this is wrong, it is terrible, or that is wrong, and I can't do anything about it. You have to look at the problem through experience, through education, through good judgment, through honesty. You have to come

forth with some solutions, not just be critical. And those are the kinds of ingredients that I think are essential and vital for any President, whether it is President in 1976 or whether it is in the future or whether it has been the case in the past.

BUCKLEY AMENDMENT

[12.] Q. Mr. President, would you support legislation that would repeal the Buckley amendment, and do you think that this amendment has had an adverse effect on the effectiveness of educators in making unbiased reports and recommendations on students?

THE PRESIDENT. As I understand it, the Buckley amendment, which requires the public disclosure of all school applicants as well as the school records of students who are in colleges and universities, is that correct?

Q. Yes, sir.

THE PRESIDENT. I think the experience that has been held in the last 12 or 18 months since that went into effect would argue very affirmatively that there ought to be modification in that legislation. I know that Senator Buckley, when he offered the amendment and when it was passed by the Congress, did it with the best of intentions.

But I think experience has proven that it went too far. It is inflexible, and there ought to be some changes. And I hope that the Congress will do so.

FUNDING FOR MEDICAL RESEARCH

[13.] Q. Mr. President, I am sure that you are aware that scientists in our country are working toward a cure for paralysis in spinal cord injuries, and these men must have money for research. I would like to ask you if you plan to support these men in every way so that thousands like me can get out of the wheelchairs?

THE PRESIDENT. I know that the Veterans Administration asked for additional funding and help and assistance to continue or to expand research in the areas in which you have indicated. It is my best recollection that we recommended an additional amount of money for the expansion of such research to try and find some answers, not only answers in the United States but to work with other scientists around the world.

I was told at the time we considered the budget that there were some excellent programs in other countries, including the Soviet Union, in this particular field. So, I can assure you that whatever funds the VA or the National Institutes of Health or any other agency of the Federal Government can come up with a

program, there will be no hesitancy, as far as I am concerned, in recommending the funds they request.

FISCAL POLICY; UNEMPLOYMENT RATE

[14.] Q. Mr. President, I would like for you to comment on what your personal fiscal policy is and what it will be in the next year? I would also like to know what you think the unemployment rate will be at the end of this year and at the end of the next administration?

THE PRESIDENT. Let me answer the last question first. In the budget that we submitted for fiscal year 1977, we forecast that during 1976 the unemployment rate would end at the end of this calendar year at a rate of about 7 percent. In the first 2 months or 3 months of 1976, the actual results have been better than we anticipated.

I respectfully refer you back to a year ago when it was 8.9 percent. It is now, according to the figures for March, 7.5. It is my judgment that by the end of calendar year 1976 we will have an unemployment rate below 7 percent, and it will continue downward in the months ahead after January 1, 1977.

Now as a fiscal policy, I submitted this year a budget that calls for a 50-percent cut in the rate of growth in Federal expenditures. If you go back for the last 10 years and look at the Federal budgets, you will find that during that period of time the expenditures in the Federal Government grew at a 10 to 11 percent rate per year.

Let me illustrate what it meant in dollars. For the current fiscal year we expect the Federal Government will spend roughly \$372 or \$373 billion in 13 months. And if we don't change a program, if there is no new law passed, just more people going on this program or that program or the cost-of-living escalators in the many programs, the rate of growth in dollars in the Federal budget will be over \$50 billion in 12 months. That is just the growth factor at a 10 to 11 percent increase.

We can't sustain, we can't justify that kind of growth. So, I recommended a budget for fiscal year 1977 that cuts that growth rate in half from 10 to 11 percent down to 5 to 5½ percent and set a spending ceiling of \$394.4 billion.

Now, tragically, the Congress and the two budget committees have already added to that spending figure by—well, from 394 to 413 to 414. So, that is the practical problem we face.

I can assure you that we are going to do our utmost to hold the spending line at the figure that I indicated—\$394.4 billion—and we are going to veto, as we have in the past, any expenditures over the budgeted figures. And as you look at

the record for the last 19 or 20 months, I have vetoed 47 bills, 39 have been sustained, and we have saved \$13 billion. And we are going to continue to do it in order to keep control over the rate of growth of Federal spending.

Now, what will be the net result? If Congress will go along and the American people will support it, we can have a balanced budget in fiscal year 1979 and we can have an additional tax reduction at the same time.

One more here, and then one over there.

FEDERAL HOUSING PROGRAM

[15.] Q. Mr. President, this is in reference to the Federal housing assistance program that you signed into law in 1974. As it stands right now, Amarillo has a 5-year tract with HUD on this program, but Congress has only appropriated money for 1 year. How do you feel that Congress will react on this program for the succeeding 4 years?

THE PRESIDENT. Are you talking about the Section 8 program?

Q. Yes, I believe that is it.

THE PRESIDENT. I recommended for fiscal year 1977, I think it was 400,000 units of Section 8 housing.

Q. That is right.

THE PRESIDENT. Naturally, I hope the Congress will go along with it. I think it is the best of the subsidized housing programs that have come from the Congress or from the White House. I personally believe that Congress will go along with it, and we hope so because I think it is a good program. We will certainly try to prod and push them.

What is your impression, John?

Senator Tower is the senior Republican on the Committee on Banking and Currency in the Senate. He probably knows a lot more about housing legislation than I. But I think it is the best of our subsidized housing programs, and I hope the Congress will go along with it.

ABORTION

[16.] Q. You have probably been asked this before, but what are your feelings on abortion and, if you are against it, would you support an amendment to the Constitution prohibiting it?

THE PRESIDENT. I think the United States Supreme Court decision went too far. I think in effect it went further than it had to. On the other hand, I do not agree with those who would seek to amend the Federal Constitution to have an inflexible approach to abortion, either. I think that is much too drastic.

Furthermore, I don't think you will get two-thirds of the Members of the Congress to pass it, and I don't think you will get three-quarters of the States to adopt it. So, it is not a realistic solution, even though I think it is too drastic in one respect.

So, you have a Supreme Court decision that I think goes too far, and some of the other proposals to amend the Constitution likewise go too far. It seems to me that we have got to move the decision of the Supreme Court to a position more to the middle, and I think the Supreme Court when it recognizes the overall attitude of the American people, it will respond to a more moderate approach than the one that they took several years ago. That is the kind of approach that I would strongly support.

U.S. GRAIN SALES ABROAD

[17.] Q. Mr. President, last year we had trouble—the farmers had trouble—in the grain deal with Russia that blew everything. It was all over the papers. And I was wondering—foreign markets or agricultures? We have to have foreign markets. Are we going to have to look out in the next 4 years as to see whom and how much we can sell grain to?

THE PRESIDENT. I think that under my administration you have had more grain sold abroad in the last 2 years than any other administration in the history of the United States. I think that is good.

Now, the problem you raise of that temporary suspension in 1975 is one that I think if you are objective and analyze it, was for the benefit of the grain producers in this country. Bear in mind that it was precipitated by what? There was an action taken to have a strike on the docks of Houston and New Orleans, et cetera.

If those strikes had not been ended, you would have had no ships taking American grain from the harbors, you would have had the grain piled up on the docks, you would have had the railroads stopped—they couldn't have handled the grain from your elevators and from your farms. It would have been an unbelievable mess, and it wouldn't have gotten one bushel more of grain overseas.

Now, the best way to solve it was to get an agreement with the Soviet Union, as we did, for a 5-year program with a minimum sale of 6 million tons per year and anything above that that they want to buy.

What does that do? That guarantees the grain producers of this country a market for 5 years, beginning next September, of 6 million tons per year instead of 1 year having no sales to the Soviet Union, the next year 10 million tons, the

next year no sales, the next year 5 million tons. You have a sustained, guaranteed market in the Soviet Union, plus those markets in Japan, plus those markets in Eastern Europe, plus those markets in Western Europe.

I think this is a good deal, and the temporary suspension that we had in the sales was necessary to consummate this agreement for a 5-year market of 6 million tons or more for the American farmer. I think it was the right thing to do. I don't think it was harmful in the long run. I think it was beneficial to American agriculture.

One final aspect of that I would like to make very clear. The allegation has been made in some quarters that this President capitulated to Mr. George Meany.¹ There is nothing true about that accusation, and may I use as a good illustration of my independence from Mr. Meany, I vetoed the common situs picketing bill, which he wanted very badly.

VICE-PRESIDENTIAL RUNNING MATE

[18.] Q. Could I ask a question?

THE PRESIDENT. You sure may. I couldn't turn you down. [*Laughter*]

Q. Well, what I wanted to ask was, are you going to have John Connally as your Vice-Presidential running mate?

THE PRESIDENT. I have to get nominated myself first. But I have said before and I repeat here, John Connally is a very good personal friend of mine. He has had a fine public record—6 years as Governor of Texas, Secretary of the Treasury, Secretary of the Navy. He certainly has all the qualifications.

But I hasten to add we have some other outstanding potential candidates, and John Tower, with his experience, certainly should be one who would qualify for consideration. But we have others, and I think it is just premature to make any decision at this time. We are lucky in the Republican Party to have such a wealth of talent from all over the country, and it will make a good team, let me assure you.

Thank you very, very much.

Q. Thank you.

THE PRESIDENT. Thank you all. I have loved being here in Canyon. It has been a great privilege and pleasure to have an opportunity to try and respond to the good questions and the wonderful spirit of the West Texas State University students, faculty, and townspeople of Canyon.

¹ AFL-CIO president.

I thank you for your generous and very wholesome and warm feeling. It has been a wonderful conclusion to a wonderful 2 days in Texas.

Thank you very, very much.

NOTE: The President spoke at 12:55 p.m. in the gymnasium. In his opening remarks, he referred to Dr. Lloyd I. Watkins, president of the university,

Mayor J. Manley Bryan of Canyon, and Sheral Strecker, Miss West Texas State University.

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Remarks Upon Vetoing the Hatch Act Amendments Bill. *April 12, 1976*

I AM returning to the Congress today without my signature a bill that would lift the ban against partisan political activity by Federal civil servants. For almost 40 years under the Hatch Act civil servants have been allowed an active role in the democratic process. They can vote, they can attend rallies and conventions, they can contribute to the candidates of their choice.

However, the Hatch Act has also prohibited civil servants from engaging in other far more partisan activities, such as political campaigns. The prohibition against partisan politics in the Civil Service was written into the law for two very sound and worthwhile reasons: to assure the American people that their affairs were being conducted with an eye on the public interest, not a partisan interest; and to protect civil servants themselves from undue political coercion.

I believe that the concerns that have been valid for the last four decades are still valid today. The public business of our Government must be conducted without the taint of partisan politics. I am, therefore, returning this bill to the Congress without my approval.

NOTE: The President spoke at 1:48 p.m. in the Oval Office at the White House.

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Veto of the Hatch Act Amendments Bill. *April 12, 1976*

To the House of Representatives:

I am today returning, without my approval, H.R. 8617, a bill that would essentially repeal the Federal law commonly known as the Hatch Act, which prohibits Federal employees from taking an active part in partisan politics.

The public expects that government service will be provided in a neutral, nonpartisan fashion. This bill would produce an opposite result.

Thomas Jefferson foresaw the dangers of Federal employees electioneering, and some of the explicit Hatch Act rules were first applied in 1907 by President Theodore Roosevelt. In 1939, as an outgrowth of concern over political coercion of Federal employees, the Hatch Act itself was enacted.

The amendments which this bill make to the Hatch Act would deny the lessons of history.

If, as contemplated by H.R. 8617, the prohibitions against political campaigning were removed, we would be endangering the entire concept of employee independence and freedom from coercion which has been largely successful in preventing undue political influence in Government programs or personnel management. If this bill were to become law, I believe pressures could be brought to bear on Federal employees in extremely subtle ways beyond the reach of any anti-coercion statute so that they would inevitably feel compelled to engage in partisan political activity. This would be bad for the employee, bad for the government, and bad for the public.

Proponents of this bill argue that the Hatch Act limits the rights of Federal employees. The Hatch Act does in fact restrict the right of employees to fully engage in partisan politics. It was intended, for good reason, to do precisely that. Most people, including most Federal employees, not only understand the reasons for these restrictions, but support them.

However, present law does not bar all political activity on the part of Federal employees. They may register and vote in any election, express opinions on political issues or candidates, be members of and make contributions to political parties, and attend political rallies and conventions, and engage in a variety of other political activities. What they may not—and, in my view, should not—do is attempt to be partisan political activists and impartial Government employees at the same time.

The U.S. Supreme Court in 1973 in affirming the validity of the Hatch Act, noted that it represented

“a judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service, and that the political influence of federal employees on others and on the electoral process should be limited.”

The Hatch Act is intended to strike a delicate balance between fair and effec-

tive government and the First Amendment rights of individual employees. It has been successful, in my opinion, in striking that balance.

H.R. 8617 is bad law in other respects. The bill's provisions for the exercise of a Congressional right of disapproval of executive agency regulations are Constitutionally objectionable. In addition, it would shift the responsibility for adjudicating Hatch Act violations from the Civil Service Commission to a new Board composed of Federal employees. No convincing evidence exists to justify this shift. However, the fundamental objection to this bill is that politicizing the Civil Service is intolerable.

I, therefore, must veto the measure.

GERALD R. FORD

The White House,
April 12, 1976.

NOTE: The House of Representatives sustained the President's veto on April 29, 1976.

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Special Message to the Congress Reporting on a Budget Deferral. *April 13, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report an increase of \$3.9 million in the amount previously deferred for the Department of the Interior's program to develop roads and trails on public lands.

The details of the revised deferral are contained in the attached report.

GERALD R. FORD

The White House,
April 13, 1976.

NOTE: The attachment detailing the deferral is printed in the Federal Register of April 16, 1976 (41 FR 16434).

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Statement on Signing the Fishery Conservation and Management Act of 1976. *April 13, 1976*

I AM today signing a bill which provides a comprehensive domestic and international program for the conservation and management of our fisheries.

The extension of our jurisdiction to 200 miles will enable us to protect and conserve the valuable fisheries off our coasts. It is indeed unfortunate that the slow pace of the negotiations of the United Nations Law of the Sea Conference has mandated our course of action here today. However, the foreign overfishing off our coasts cannot be allowed to continue without resolution.

The need for a timely and successful Law of the Sea Conference is even more pressing today than ever before. I have directed our negotiators to make every effort, consistent with our basic interests, to conclude the substantive negotiations this year. The bill I sign today is generally consistent with the consensus emerging at the Conference. It is increasingly apparent that a failure to reach substantive agreement this year will move the world community inevitably toward disorder respecting competing use of the oceans. In the absence of a timely treaty, no nation can be assured that its paramount interest in the oceans will be protected.

Some specific aspects of this legislation require comment. I supported this legislation on the condition that the effective date of the legislation would be delayed so that the Law of the Sea Conference could complete its work and to permit sufficient time for a proper transition.

The tasks of continuing our negotiating efforts at the Law of the Sea Conference and at the same time establishing new fishery plans, issuing hundreds of new fishing permits, and negotiating specific fishery agreements with foreign governments will require substantial resources in excess of those presently allocated to international fisheries affairs. The Departments of State, Commerce, and Transportation must do their best to implement the act fully. Since available resources are finite, however, it is possible that full implementation may take more time than is provided in the act.

I am concerned about our ability to fulfill the tasks in the time and manner provided in the act. I am particularly anxious that no action be taken which would compromise our commitment to protect the freedom of navigation and the welfare of our distant water fisheries. Surely, we would not wish to see the United States engaged in international disputes because of an absence of needed flexibility.

Additionally, I am concerned about four specific problem areas which are raised by this legislation:

First, absent affirmative action, the subject bill could raise serious impediments for the United States in meeting its obligations under existing treaty and agreement obligations;

Second, the bill contemplates unilateral enforcement of a prohibition on foreign fishing for native anadromous species, such as salmon, seaward of the 200-mile zone. Enforcement of such a provision, absent bilateral or multilateral agreement, would be contrary to the sound precepts of international jurisprudence;

Third, the enforcement provisions of H.R. 200 dealing with the seizure of unauthorized fishing vessels lack adequate assurances of reciprocity in keeping with the tenets of international law; and

Fourth, the measure purports to encroach upon the exclusive province of the Executive relative to matters under international negotiations.

Although these matters are of major importance, I am hopeful they can be resolved by responsible administrative action and, if necessary, by curative legislation. Accordingly, I am instructing the Secretary of State to lead administration efforts toward their effective resolution.

NOTE: As enacted, H.R. 200 is Public Law 94-265 (90 Stat. 331).

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Remarks Upon Signing Bills Commemorating the Birth of Thomas Jefferson. April 13, 1976

Thank you very, very much, Secretary Kleppe. Captain Barnes, distinguished guests—including the fine choir from the College of William and Mary, Thomas Jefferson's alma mater—ladies and gentlemen:

Today we pay tribute to Thomas Jefferson. Two hundred years of American history have produced no man whose achievements are better known. In his own epitaph he cited just three—author of the Declaration of American Independence, author of the Statute of Virginia for Religious Freedom, and father of the University of Virginia.

Had those been only his basic accomplishments, he would have earned his place in history and our unyielding gratitude. But we know Jefferson in other ways as well. We know the character of the man who embodied our national heritage by encompassing the spirit of pioneer and aristocrat, American and world citizen, the values of nature and the values of civilization.

In politics, we know him as a lawyer and as a legislator, as a member of the Continental Congress, Ambassador to France, our Nation's third President, and its first Secretary of State. In our national life, we know him as a scientist and agronomist, as an artist, architect, and inventor.

Thomas Jefferson's achievements range from our decimal system of coinage to the great area of our Nation itself, which he doubled through the Louisiana Purchase. But Thomas Jefferson's contribution to our Nation's history is far, far more than the sum of these diverse accomplishments. The very range of his interests has heightened his impact on later generations.

It is a quirk of history that Thomas Jefferson and John Adams, both signers of the Declaration of Independence, died on July 4, 1826, 50 years to the day of its adoption. John Adams' last words were, "Jefferson still lives." History shows Adams was wrong, because Jefferson had died a mere 5 hours earlier. But history also has confirmed Adams' words, because Thomas Jefferson lives in each of us.

We are all his successors, and it is up to us, not history, to see that Jefferson's faith survives. Great citizens and their great thoughts are not just for their own time but forever. And Jefferson's true importance lies in the fact that he continues to speak of the American experience.

In every generation, Americans have turned to Jefferson for comfort and inspiration. They have found new meanings, often conflicting meanings, in his words. In their search for Jefferson's spirit, Americans have sought themselves. To Abraham Lincoln, the principles of Jefferson were the definitions and axioms of free society, a society he was struggling to preserve. And Lincoln, the Great Emancipator, gave those principles new significance.

Three generations later, another great American leader, Franklin Delano Roosevelt, locked in another war for freedom, dedicated this memorial as a shrine to freedom. On the 200th anniversary of Jefferson's birth, he called for a commitment to Jefferson's cause not by words alone, but by sacrifice.

In this 200th year of the Nation Jefferson helped to found, it seems our America has changed so much that when we compare it with Jefferson's America, the differences are more striking than the similarities. We are no longer a young, isolated, agricultural nation, but an industrial giant in a nuclear age.

Thomas Jefferson would have been the first to recognize that different times demand different policies. He stressed that the Earth belongs always to the living generation. In our Bicentennial Year, we turn once again to Jefferson's words and find them surprisingly modern. Jefferson's principle of limited government, his concern about excessive centralization of governmental power at the expense of State and local responsibility and individual freedom are as much a part of the debate of 1976 as they were in 1776.

I believe that in this debate, the wisdom and the philosophy of Jefferson will prevail. We find he believed that not every difference of opinion is a difference of principle and that he tolerated error in the confidence that truth would triumph.

Jefferson was a fervent believer in freedom of the press. Although harshly attacked and often vilified, he maintained an unfettered press was essential to American freedom. We find the meaning of democracy in his immortal words, that "though the will of the majority is in all cases to prevail, that will to be rightful must be reasonable; that the minority possess their equal rights, which equal laws must protect."

We find he put his trust in the people whom he believed to be basically moderate, patriotic, and freedom-loving. And we find above all else his love for freedom and independence. Today, we recognize this in two symbolic gestures.

Jefferson's belief in the freedom and independence of the human mind we honor today by an act of Congress, which names one building of the Library of Congress after him. And Jefferson's belief in the freedom and independence of the American people we honor today by an act of Congress, which designates today as Thomas Jefferson Day.

I believe as we move into our third century of independence, there will be an even greater emphasis by our people to find ways and means to meet our needs, while limiting the role of government in the classical Jeffersonian sense. I see the third century of American independence as a century of individualism. I see it as a century of personal achievement and fulfillment for all Americans.

Let us honor Thomas Jefferson this year and throughout the next century of our independence by weaving into our national life the qualities, the talents, and the ideals which were the warp and woof of his.

Let us practice the responsible individualism, and thereby pay tribute to the man we commemorate here. Let us dedicate ourselves to achievement, so that we may make this country what it has the potential to be. Let us maintain for America its rightful place of leadership in the councils of nations of the world. Let us extend the boundaries of human freedom here at home and beyond our shores. Let us accept and discharge the responsibility as a people upon whom providence has bestowed so much. Let us be enlightened as a nation with appreciation for learning, for reason, and for justice for all our people.

In this way, my fellow Americans, we shall pay honor to the man from Monticello.

It is now my honor to sign two pieces of legislation relating to Thomas Jeffer-

son. I would like to ask the Members of Congress present to join me at the signing table.

It is now my pleasure to sign House Joint Resolution 670, designating April 13 as Thomas Jefferson Day. Representative Bob McClory was the principal sponsor, and so as I sign this, I will give him this pen and we will distribute the others.

Now, it is my honor to sign S. 2920, the legislation which officially designates the Library of Congress Annex as the Library of Congress Thomas Jefferson Building. And I think on this occasion, it would be appropriate to give this pen to the senior Senator from Virginia, the Honorable Harry Byrd.

Thank you.

NOTE: The President spoke at 12:20 p.m. at the Jefferson Memorial. In his opening remarks, he referred to Secretary of the Interior Thomas S. Kleppe and Capt. Robert M. Barnes of the District of Columbia Society of the Sons of the American

Revolution.

As enacted, H.J. Res. 670 is Public Law 94-263 (90 Stat. 328), and S. 2920 is Public Law 94-264 (90 Stat. 329).

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Remarks and a Question-and-Answer Session With Members of the American Society of Newspaper Editors. *April 13, 1976*

MR. PHILLIPS [Warren H. Phillips, Wall Street Journal]. Mr. President, we appreciate your letting us come and visit with you and your willingness to respond to our questions.

We are going to have a panel question you this afternoon, and they will be, in alphabetical order, first Bob Bartley, editor of the editorial page of the Wall Street Journal; Tony Day of the Los Angeles Times; Tom Johnson of the Dallas Times Herald; Abe Rosenthal of the New York Times; and Howard Simons of the Washington Post.

QUESTIONS

BETTY FORD

[1.] Q. I am told that as president of the ASNE this year, I have the prerogative to ask the first question, and I have a question on your running mate.

Those of us who saw Mrs. Ford dance at the Gridiron last week wonder if you have given any consideration to putting her on the ticket as your running mate? [*Laughter*]

THE PRESIDENT. She keeps embarrassing me. [*Laughter*] There was a recent poll I think the Detroit News printed over the weekend, which indicated she was doing her job far better than I was, which tends to coincide with some of the other polls that I have seen. I will leave that up to the delegates, I think.

DEFENSE BUDGET

[2.] Q. Mr. President, I see in the [Weekly Compilation of] Presidential Documents that less than a month ago, you were saying that while you would fight to have your defense budget approved without change, you considered that hope too optimistic. Now, it seems that Congress will, in fact, give you everything you ask for or maybe more. I wonder what you think happened in that month to change the outlook so radically?

THE PRESIDENT. I think the answer there is very simple. Don Rumsfeld, the new Secretary of Defense, and myself laid out a program of consultation with the Congress in trying to point out to them the disastrous actions that Congress had taken over the last 5 years, where they have cut somewhere around \$32 or \$33 billion out of the accumulated defense appropriations that have been sent to the Hill.

We pointed out to them if the Congress continued to do that, as they have been doing, and more specifically with the \$7.5 billion cut in the defense appropriation bill that I sent last year, if that trend was continued with such congressional slashes, the United States military capability could be seriously jeopardized.

We have had a number of meetings—myself, Secretary Rumsfeld, many others—and I think we have made some headway, at least the House Budget Committee, the Senate Budget Committee. And their figure gave me precisely the figure, or within a few million dollars of what I requested. And the House Committee on Armed Services actually recommended, and the House finally approved, something slightly over what I recommended.

So, I think the total effort by Secretary Rumsfeld and myself has convinced the Congress that they can't cut this budget as they have the budgets for the last 6 years.

Q. I know that you have been saying recently that this is the largest peacetime defense budget in history, but if you discount for inflation and put it in constant dollars, it is still the second smallest in recent years. I wonder if you had known that you were going to have as little opposition in Congress as you have had, maybe whether you would have asked for something more?

THE PRESIDENT. Not at all, because when I put the budget together—the total

budget, including the military budget—those decisions were made in November and December. I looked at the trendline that the Congress had established by its \$32 or \$33 billion reduction, and I knew that that could not be tolerated. I know also, or knew at the time, that the defense budgets had been in current dollars, had been going up at the rate of about 5, 5.5 percent. And in order to rectify what Congress had been doing, in the budget that I submitted in January, the decisions having been made in November and December put that rate of increase up to 11 percent. So, these were decisions made by me at a time when there was no opposition involved, as far as the Republican nomination was concerned.

SECRETARY OF STATE KISSINGER

[3.] Q. Mr. President, did you know in advance that Rogers Morton¹ was going to predict that Secretary Kissinger would not last very much longer in his current job?

THE PRESIDENT. I was quite surprised, because as far as I am concerned that is not true. And I will reiterate, probably in somewhat different words, what I have said over and over again for the last number of months: I think Secretary Kissinger has been one of the finest, if not the finest Secretary of State this country has ever had. I believe that our foreign policy has been successful. And you don't get rid of somebody in an organization if they are good; and Secretary Kissinger, as I indicated, has been an outstanding Secretary of State. I think my administration knows—all of them—how I feel. I don't think those comments will be made in the future. [*Laughter*]

Q. Even granting all that about Kissinger and making the same assumptions, is it possible that all the controversy surrounding him and coming from many different quarters may undermine his effectiveness as an exponent of your policy, that he might feel he might have to resign or withdraw before the end of the year?

THE PRESIDENT. Certainly, the constant attacks by some might mislead some of our friends abroad and our adversaries abroad, but if you look at the polls, Secretary Kissinger does uniformly very, very well across the country. So the American people, I believe, as a whole support him as much, if not more than almost any other public official. So, I believe that the people abroad, whether they are adversaries or friends or allies, understand that we are going through our every 4-year political partisan experience, and they discount it. So, I don't think his effectiveness will be eroded at all.

¹ President Ford Committee campaign manager.

JOHN CONNALLY

[4.] Q. Mr. President, as we were coming to the White House today we saw that former Texas Governor John Connally was leaving.

THE PRESIDENT. You Texans find each other out all the time. [*Laughter*]

Q. First, would you describe that meeting to us and, second, would you determine for us if he has been offered a position of Vice President or the position of a member of the Cabinet in this administration or a future administration?

THE PRESIDENT. Let me tell you the whole story—[*laughter*—with reservations. Last night, I called John Connally. I wanted to get his reaction to my 2-days visit to Texas. I found that he was en route to Washington, D.C., so I left a call where he was going to be staying, and he called me when he arrived. We chatted for a few minutes. I said, “Why don’t you come in? We can talk a little easier in the Oval Office.” So, he came in at 3:45. We had a very broad discussion on political matters. I can add as a postscript that he was not offered a job. I did not ask him to support me; he did not volunteer. He is out doing his best to strengthen the Republican Party at fundraisers and State conventions. And we had an excellent discussion, but there were no offers or no acceptances. I just can’t go any deeper than that.

PEOPLE’S REPUBLIC OF CHINA

[5.] Q. Mr. President, on another front, can you give us your assessment of the leadership changes that are taking place in China today, and has there been any discussion in the White House of military aid to China?

THE PRESIDENT. There has been no discussion in my presence of any military aid and assistance to the People’s Republic of China. There may have been some discussions that I am not familiar with at a lower level. The new leadership in the People’s Republic of China I did not meet when I was in China in December. I doubt if any top officials from any government have met the new Premier. We certainly look forward to an opportunity to meet him, but our knowledge concerning his background is the knowledge primarily that is known through other channels.

U.S. POLICY TOWARD EASTERN EUROPE

[6.] Q. Mr. President, what is this administration’s attitude toward the relations between the Communist countries of Eastern Europe and the Soviet Union? We used to talk about them as captive nations, and then for a long time we did not talk about them at all, and now we talk about organic structures. What do you think should be the relations between these countries and the Soviet Union and our attitude toward them?

THE PRESIDENT. We believe very firmly that those Eastern European countries should be independent; they should be autonomous. They should have the opportunity for complete and total diplomatic relations with all countries. We do not believe that they should be subjected to Soviet Union domination. They should be independent and autonomous.

I have tried to strengthen our relations with a number of those countries. I visited Poland; I have visited Romania; I have visited Yugoslavia. We believe that it is highly desirable that we should have normal relations with them, and they should have normal relations with other countries, and under no circumstances be dominated by any other power.

Q. Well, was there any change in policy or attitude implied in the Sonnenfeldt² memo? It certainly aroused a lot of discussion.

THE PRESIDENT. It has aroused a lot of discussion.

Q. How do you read it?

THE PRESIDENT. I read it because I was curious as to what it said. And when you read it in its entirety, the quoted phrases or sentences are, in effect, taken out of context, because if you read the total four- or five-page memo, as I recollect, you get a totally different picture than you do when you just read those several sentences.

So, as I see it, number one, I know what our policy is regardless of what the memo says. And, number two, I don't think the sentences that were extracted, under any circumstances, express the foreign policy of this country in relationship to those countries in Eastern Europe.

VICE-PRESIDENTIAL SELECTION PROCESS

[7.] Q. Thank you. One more. There have been several mentions of the Vice-Presidency. Do you plan to do what has long been talked about; that is, to reform the process of the selection of the Vice President? When a delegate votes at the convention, he is voting for two people, but he only knows the name of one. Do you plan either to tell the convention in advance who your selection would be or to have an open convention on the Vice-Presidency?

THE PRESIDENT. I would hope we could be in a position in Kansas City so there would be an opportunity for the delegates, further in advance, to know an individual that I would prefer, or several individuals that I would prefer. I think it is too late to drastically change the procedure and the process at the present time.

On the other hand, if we can get the name or names out before the delegates

² Helmut Sonnenfeldt, Counselor of the State Department.

more quickly, I think it might lead to a better decision or a better feeling by the delegates toward the Presidential nominee and toward the Vice-Presidential nominee.

PRIMARY ELECTION RESULTS

[8.] Q. Mr. President, in the primaries to date, almost half the voters of your own party have voted against you. Why do you think this is so?

THE PRESIDENT. I have a formidable opponent. But when you come right down to it, we are doing very well in the delegates, and the delegates—that is where the ballgame is won or lost. And as of now, I think we have 250-some firm delegates, and my opponent has, as I recollect, around 80.

We think we have a good many more delegates, and as long as you get the delegates, then the difference in the actual votes is not really significant. But I can only say again, I think my opponent is a formidable public figure. But we are winning, and we are going to keep on winning.

HOWARD HUGHES AND THE CIA

[9.] Q. On a different note, Mr. President, the CIA has been and still is a mysterious organization, and Howard Hughes was a mysterious human being. Can you tell us anything about the link between Howard Hughes and the CIA?

THE PRESIDENT. The only link that I think I can comment on is the one that involved the *Glomar*, where one of his companies was involved in the construction of that ship and its operations. Other than that, I don't think it is appropriate for me to discuss a relationship that may or may not have existed.

FEDERAL SPENDING AND TAX REDUCTION

[10.] Q. Mr. President, yesterday, the Senate Budget Committee approved a budget which added some \$16 billion to your spending totals and provided for a smaller tax cut than you wanted. Do you consider this a major change? And what effect do you think it would have on the economic outlook?

THE PRESIDENT. We think the budget that we put together, with a spending ceiling of \$394-plus billion, calling for additional \$10 billion tax reduction beginning July 1, is the right approach. Now, the House and Senate Budget Committees have added roughly 16—well, they went up to \$412 billion in one and \$413 billion in another. I don't think that extra spending is needed.

I think the better way to continue our economic recovery is to hold the lid on spending at the figure that I recommended and to give the American people additional tax reduction. We, of course, have no direct impact in the executive branch on their resolution as to the spending ceiling.

I can, as they send down appropriation bills or authorization bills, veto them. I vetoed 48 bills so far, and we have had 39 of them sustained, saving some \$13 billion in Federal expenditures. And if they send down appropriation bills of the magnitude that is reflected in their spending ceilings, the likelihood is that I will veto them. And I think we will get the Congress to sustain them because the Congress is getting a little more responsible on spending matters.

I really think that from the overall point of view of the economy, a tax reduction of the magnitude I have discussed, plus a spending level that I have proposed, is far better from the point of view of the economy, and we are going to do our best to achieve it.

DEMOCRATIC PRESIDENTIAL CANDIDATE

[11.] Q. Mr. President, you were talking a moment ago of your formidable Republican opponent. I would like to ask you if you expect Jimmy Carter to be your Democratic opponent?

THE PRESIDENT. I will stick with my Democratic candidate, and I am trying hard to get him nominated—[*laughter*]*—*been doing it for a year. I still think Senator Hubert Humphrey will be the Democratic nominee.

JIMMY CARTER'S REMARKS ON HOUSING

[12.] Q. Do you think that this much-talked-about remark by Governor Carter about ethnic purity of neighborhoods has hurt him in a political sense?

THE PRESIDENT. The real test of that will come in the Pennsylvania primary, which comes April 27. That will be a test as to whether that remark will have any impact on the support that he has heretofore gotten in the black communities of the various States.

There is a very substantial black population in Pennsylvania—Philadelphia, and in Pittsburgh, and some other areas. I think whether that comment will have an impact or not will be determined very precisely by that primary.

ADMINISTRATION'S HOUSING POLICIES

[13.] Q. On that point, what is your own view of open housing and the lengths or the steps the Federal Government should take to bring that about?

THE PRESIDENT. In the first place, I would not use that term to describe any of my policies, period. I do feel that an ethnic heritage is a great treasure of this country, and I don't think that Federal action should be used to destroy that ethnic treasure.

Number two, under existing laws as to housing, as to education, as to where

you live, there are Federal laws that are on the statute books. I have sworn to uphold the law in any case, all cases, and this administration will.

Fourthly, in the area of housing, under the 1974 act, a great deal more local autonomy and responsibility was given as to where housing should be located. And if a local community decides that they want housing of one kind or another, or if an individual wants to build in an area under the law, this administration will uphold the law.

So, that is an explanation of our policies. I just think that the term that has created so much controversy is not the way to describe the practical situation.

CUBAN FOREIGN INTERVENTION

[14.] Q. Mr. President, how should the U.S. Government respond to any future military intervention by Cubans and Third World countries such as that we saw in Angola?

THE PRESIDENT. Tom, we have a number of options that cover diplomatic, economic, military—we have a wide, wide range of options. I can say only that when the problem presents itself, if it does—I hope it doesn't—our action will be appropriate to what is done. It will be firm, and it will be very consistent.

PRIORITY GOALS OF THE ADMINISTRATION

[15.] Q. Outside of the campaign, sir, could you tell us what your specific agenda will be for the remaining months of this administration?

THE PRESIDENT. What my personal agenda will be?

Q. No, sir, what do you see are the priority items for accomplishment during the remaining months of this administration?

THE PRESIDENT. I believe in the domestic field, we have a major obligation to keep the firm, steady and, I think, successful course in trying to get this Nation out of the worst economic recession in 40 years. We are on the way. Everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. And we are going to follow the firm, steady—and I emphasize—successful course we have taken.

In the field of energy, we are going to utilize all of the legislation that is now on the statute books to stimulate additional production, to achieve greater conservation, and in the case of Elk Hills, to get some production out of the Navy petroleum reserves. We do have some other legislation on the Hill in the energy field that I would hope the Congress would pass, such as the deregulation of natural gas. We are a little disappointed in what has happened so far, but there is still a chance we can get that.

In the international field, we are going to continue to go through the negotiat-

ing process in SALT II. I am not going to abandon that effort. I think that is a constructive effort. I can't forecast that we will reach an agreement, but when you look at the added expenditures, the added weapons systems that will be needed if we don't get a SALT II agreement, I think it is the responsible action for the President to try and put a lid on nuclear weapon systems in the strategic field. We will work on it. There is no time schedule for it, but it is certainly high on the agenda.

We will continue in the international field to try and strengthen our NATO alliance, to increase our influence and strength in the Pacific with Japan and our other allies in that area.

We have a lot to do, and we are not going to let political campaigning take a higher priority. Those jobs must be done first, and they will be, by me, in the remaining time of this administration, up until January 20.

MR. PHILLIPS. We thank you, Mr. President.

THE PRESIDENT. Thank you very much, Warren.

NOTE: The President spoke at 5:12 p.m. in the Rose Garden at the White House.

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Remarks at the Swearing In of Thomas S. Gates, Jr., as Ambassador to the People's Republic of China. April 14, 1976

Ambassador Gates, Mrs. Gates, and your lovely family, Secretary Kissinger, the Vice President, Secretary Rumsfeld, Ambassador Scranton, General Scowcroft, Director Bush, and I better be sure to mention my wife, Betty:

Let me welcome all of you to this ceremony, conferring on Tom Gates the rank of Ambassador. As he assumes the position of our Chief of Liaison Office in Peking, this is a measure of the importance, Ambassador Han, that we attach to the growing relationship with the People's Republic of China.

Tom is inheriting a well-established tradition of excellence in this new position, a tradition exemplified so well by his predecessors, Ambassador David Bruce and George Bush.

The process of normalizing relations with the People's Republic of China, in which Ambassador Gates will play a very vital role, is now well underway. Our two countries have differences which neither side attempts to hide, but we also share many, many important interests which provide the foundation for a durable and growing relationship.

Through the constructive dialog between our two countries, now in its fifth year, we are now able to strengthen opportunities for cooperation and parallel action on many global issues. We share a common concern that the world remain free from domination by military force or intimidation and that all nations have the opportunity to develop along their own unique plans.

At the same time, both sides understand the importance of continuing the process of normalization through joint efforts based on the Shanghai communique. I stressed in my speech in Honolulu last December, just after returning from Peking, the determination of my administration to complete the normalization process. This will serve the interest of our two peoples and contribute to the cause of a more stable world order.

Tom Gates has a long and distinguished record of public service to our country and involvement in the global concerns of the United States. During his tenure as Secretary of Defense, he fully realized that America must pursue a policy of peace through strength. The security problems which the United States faces have become increasingly subtle and more complex since the period of the Second World War, when both Tom and I served together in the Navy some 34 years ago on the same ship.

The United States must continue to adapt its foreign policy to changing circumstances. And our pursuit of a constructive and mutually beneficial relationship with the People's Republic remains a very cardinal element in our efforts to adjust to this more complex world.

As you prepare, Tom, for Peking, I am very confident that you will do an outstanding job of representing the views of the United States. During your tenure in Peking, you will add another chapter of very distinguished service to the record of our Liaison Office and to Sino-American relations.

I would like at this time to ask the Chief of Protocol, Henry Catto, to administer the oath of office.

NOTE: The President spoke at 12:52 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to William W. Scranton, U.S. Representative to the United Nations, Lt. Gen. Brent Scowcroft, Jr., Assistant to the President for National Security

Affairs, and George Bush, Director of Central Intelligence.

Ambassador Gates' response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 654).

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**Remarks Upon Signing Emergency Appropriations
Legislation for the National Swine Flu Immunization
Program. April 15, 1976**

THE MEASURE I am about to sign represents a timely response to my request for prompt congressional action to provide funds for a national influenza immunization program. This program will offer every American the opportunity to be inoculated against a swine-type influenza virus.

This virus was the cause of a pandemic in 1918 and 1919 that resulted in over half a million deaths in the United States, as well as 20 million deaths around the world. I am gratified that the Congress could act promptly prior to its Easter recess on a matter of great importance to every citizen.

This demonstrates quite clearly the Congress can confront rapidly and effectively the issues that are important to all of us. The Secretary of HEW, David Mathews, and his Department are moving ahead rapidly to implement the program objectives.

We will mobilize all the necessary national resources to insure that we achieve our goal of making the influenza vaccine available to every American by the end of the year. And I thank the Congress, and I thank the Department of HEW for helping in this very important project.

NOTE: The President spoke at 1:50 p.m. in the Oval Office at the White House.

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**Statement About Emergency Appropriations Legislation
for the National Swine Flu Immunization
Program. April 15, 1976**

I AM gratified by the rapid response on this crucial measure by the Congress prior to their Easter recess. The provisions for preventive health activities and summer youth employment programs are identical to my request.

The special supplemental appropriations contained in this measure are essential for implementation of the national influenza immunization program. This program is designed to protect Americans against a swine-type strain of virus which was responsible for thousands of deaths in the United States during 1918-19.

The Secretary of Health, Education, and Welfare, David Mathews, and the Department are moving ahead rapidly to implement the program objectives that will assure the availability of the vaccine to all citizens before the end of the year.

The same spirit of cooperation that was exhibited by the Congress must now characterize the rest of this program if we are to be successful. The pledges of active support that have already been made by members of the medical profession, major health organizations and associations, civic groups, elected officials, and individual citizens have been heartwarming. They assure me that the job can be done.

I intend to give this program my direct attention and my full support because the health of our Nation is at stake. I urge every American to receive an inoculation against this form of influenza, and I urge everyone to support this program in their own community.

NOTE: As enacted, H.J. Res. 890 is Public Law 94-266 (90 Stat. 362).

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Remarks at the Swearing In of Samuel R. Martinez as Director of the Community Services Administration. April 15, 1976

Sam and Mrs. Martinez and your family, Secretary Mathews, Secretary Hills, distinguished guests:

Let me welcome you to the White House today for the swearing in of Sam Martinez as Director of the Community Services Organization and Administration [Community Services Administration]. I spent a good deal of time in Sam Martinez' native State, and I feel the next best thing to visiting Colorado is bringing one of its leading citizens to Washington.

Sam Martinez brings to Washington more than a decade of experience in dealing with public policy at many, many levels. At a time when the American people are concerned about maintaining the roles of the State and local units of government, his experience at those levels makes him especially valuable to all of us.

Sam Martinez began his administrative career as a principal at Fort Lupton High School in Colorado where he had been a teacher as well as a coach. His involvement in helping people at the State and local level began in 1964 when

he was named assistant director of the Colorado Civil Rights Commission. He served the people of Colorado as a special assistant to the Governor and as a State and regional director of the Colorado Office of Economic Opportunity.

Since that time, Sam Martinez began his responsibility in managing Federal programs and that role has expanded significantly. In the last few years he has served very constructively as Chairman of the Mountain Plains Federal Regional Council and Regional Director of the United States Department of Labor.

Sam Martinez and I share a personal commitment to help the poor and disadvantaged Americans served by the Community Services Administration. Its programs demand strong and very effective and very imaginative leadership. I am fully confident, Sam, that you will provide that leadership.

And now I ask the Executive Clerk, John Ratchford, to please administer the oath. John.

NOTE: The President spoke at 2:17 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to David Mathews, Secretary of Health, Education, and Welfare, and Carla A. Hills, Secre-

tary of Housing and Urban Development.

Mr. Martinez' response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 657).

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Statement on the Death of Judge William H. Hastie. *April 15, 1976*

I AM deeply saddened to learn of the untimely death of senior Judge William H. Hastie, former Chief Judge of the U.S. Court of Appeals for the Third Circuit. His death is a great loss to the Nation, the judiciary, and the Judicial Conference Advisory Committee on Appellate Rules, where he served as Chairman.

Judge Hastie's outstanding abilities have long graced the Federal judiciary. His life in public office as a lawyer, as dean of Howard University Law School, and as the first black Federal Judge have left an indelible imprint on the Nation.

NOTE: Judge Hastie, 71, died in Philadelphia, Pa., on April 14, 1976.

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**Statement on Transmitting to the Congress an
Amendment to the Fiscal Year 1976 District
of Columbia Budget. *April 16, 1976***

IN ACCORDANCE with the District of Columbia Self-Government and Governmental Reorganization Act of 1973 and the Budget and Accounting Act of 1921, I am transmitting an amendment to the fiscal year 1976 budget for the District of Columbia. The amendment also includes provisions affecting the transition quarter budget for the period July 1 through September 30, 1976.

This amendment includes a request from the District of Columbia government to extend the interim U.S. Treasury borrowing authority of Section 723 of the Home Rule Act of 1973 to capital projects not approved under the provisions of that act. The District government will shortly submit draft legislation to authorize such additional borrowing.

I urge that the Congress favorably consider an increase of \$3 million in the Federal payment for the transition quarter, as authorized by Section 502 of the Home Rule Act, as amended, in order to support the District's extraordinary public safety needs during the Bicentennial summer 1976.

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**Memorandum to the Special Representative for Trade
Negotiations on Adjustment Assistance for the
Footwear Industry. *April 19, 1976***

[Dated April 16, 1976. Released April 19, 1976]

PURSUANT to Section 202(b)(1) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the actions I will take with respect to the report of the United States International Trade Commission (USITC) dated February 20, 1976, concerning the results of its investigation of a petition for import relief filed by the American Footwear Industries Association, the Boot and Shoe Workers Union, and the United Shoe Workers of America.

I have determined that expedited adjustment assistance is the most effective remedy for the injury suffered by the U.S. footwear industry and its employees. I have determined that provision of import relief is not in the national economic interest of the United States.

A remedy involving import restraints would have lessened competition in the shoe industry and resulted in higher shoe prices for American consumers at a time when lowering the rate of inflation is essential. Footwear makes up 1½ percent of the Consumer Price Index.

Import restraints would also have exposed U.S. industrial and agricultural trade to compensatory import concessions or retaliation against U.S. exports. This would have been detrimental to American jobs and damaged U.S. exports.

The U.S. footwear industry is benefiting from a substantial increase in production, shipments, and employment as a result of the economic recovery. Additionally, a number of plants have reopened, order backlogs of domestic manufacturers have increased, and profitability has improved.

In considering the effect of import restraints on the international economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory, and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by footwear firms producing articles covered by the USITC report and their workers. I have also instructed the Secretaries to file supplementary budget requests for adjustment assistance funds, if necessary, to carry out my program.

I also direct you, as the Special Representative for Trade Negotiations, to monitor U.S. footwear trade, watching both the levels and quantities of imports as well as of domestic production and employment. If significant changes occur, they should be reported to me with appropriate recommendations.

This determination is to be published in the *FEDERAL REGISTER*.

GERALD R. FORD

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**Message to the Congress on Adjustment Assistance
for the Footwear Industry. April 19, 1976**

[Dated April 16, 1976. Released April 19, 1976]

To the Congress of the United States:

As required by Section 203(b)(2) of the Trade Act of 1974, I am transmitting this report to the Congress setting forth my determination to provide adjustment

assistance to the U.S. footwear industry producing footwear covered by the affirmative finding of February 20, 1976 of the United States International Trade Commission (USITC) under section 201(d)(1) of the Trade Act. As my decision does not provide import relief to that industry, I am setting forth both the reasons why I have determined that import relief is not in the national economic interest and other actions I am taking to help the footwear industry and workers.

I have decided, considering the interests of both the American consumers and producers, that expedited adjustment assistance is the most effective remedy for the injury to the U.S. footwear industry and its employees as a result of imports.

My decision was based upon my evaluation of the national economic interest. A remedy involving import restraints would have lessened competition in the shoe industry and resulted in higher shoe prices for American consumers at a time when lowering the rate of inflation is essential. Footwear makes up 1 percent of the Consumer Price Index.

Import restraints would also have exposed industrial and agricultural trade to compensatory import concessions or retaliation against U.S. exports. This would have been detrimental to American jobs and damaged U.S. exports.

Adjustment assistance will benefit the many smaller enterprises which have been seriously injured, whereas the USITC report casts grave doubt on import relief as an effective remedy for these firms; import relief would disproportionately benefit the 21 larger firms which produce 50% of domestic output, but which have been found to be competitive with imports.

Adjustment assistance is consistent with the President's efforts to control inflation, including costs to all consumers, which import restrictions would raise.

The U.S. footwear industry is benefitting from a substantial increase in production, shipments, and employment as a result of the economic recovery. Additionally, a number of plants have reopened, order backlogs of domestic manufacturers have increased, and profitability has improved.

As the U.S. economy recovers from the recession, domestic production of non-rubber footwear is rising significantly. In February, 1976 (the latest month for which data are available) the output was 41,137,000 pairs. This is up from 40,985,000 in January, and is the highest monthly production figure since May, 1974. The monthly average for 1976 to date is 41,106,100; for the year 1974, 37,750,000; for 1975, 36,143,000.

U.S. employment in the industry, which has also been steadily declining over recent years, also shows signs of picking up. The total average monthly em-

ployment for the industry in 1975 was 163,000 workers, compared to 178,000 for the year 1974. For the first two months of 1976 the monthly average is 172,000, the highest since July 1974.

Meanwhile, imports of the nonrubber footwear covered by the USITC recommendation (all except zoris and paper slippers) have been leveling off. In February, 1976, there were 29,238,000 pairs, down from 32,200,000 in January.

In considering the effect of import restraints on the International economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by footwear firms producing articles covered by the USITC report, and their workers. I have also instructed the Secretaries to file supplementary budget requests for adjustment assistance funds, if necessary, to carry out my program.

I have also directed the Special Representative for Trade Negotiations to monitor U.S. footwear trade, watching both the levels and quantities of imports as well as of domestic production and employment. If significant changes occur, they will be reported to me with appropriate recommendations.

GERALD R. FORD

The White House,
April 16, 1976.

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Remarks at Dedication Ceremonies for the George C. Marshall Memorial Corridor. April 20, 1976

Thank you very much, Secretary Hoffmann, Ambassador Bunker, Secretary Clements, General Weyand, Mr. Elsey, distinguished guests, members of the Marshall family:

It is really a great honor for me to join this very distinguished company for a ceremony of this extreme and very special significance to all of us. We are here to dedicate this corridor to the memory of America's most distinguished soldier, a statesman, General George C. Marshall.

This occasion, as I have noted, has been filled with personal remembrances of the general which reveal his warm humanity, his integrity, his great leadership abilities and, above all, his total dedication to the service of his country.

The Nation's memories of General Marshall span the gulf between war and peace. We remember him for building a force that numbered less than 2,000 officers and men shortly before World War II into the greatest fighting army in the history of the world in very short order. As General Marshall told the Nation as we prepared for global war, "If we are strong enough, peace, democracy and our American way of life should be the rewards."

At the end of World War II, the Army and the Air Corps numbered more than 8 million and had no equal on any battlefield on the face of the Earth. Today, we know that the military strength and preparedness which General Marshall so forcefully advocated are still absolutely essential to deter aggression, to keep the peace, and to protect our national security.

But we also know it is our solemn duty to make the most of peace as a constructive atmosphere for human progress and human freedom. In this duty, as all Americans know, George C. Marshall did not fail. After the war his name became synonymous with one of the greatest peaceful enterprises in human history, the Marshall plan.

As a young Congressman from Michigan coming to Washington with the elections of 1948, I was very favorably impressed with and a strong supporter of this compassionate and farsighted American program for rebuilding a continent ravished by war. I was equally impressed with the bipartisan nature of that effort.

One of the great leaders of that bipartisan team is the man who first inspired me to run for public office—Senator Arthur Vandenberg of Michigan, then chairman of the Senate Committee on Foreign Relations. Senator Vandenberg said politics stopped at the water's edge. But the more accurate statement was that postwar statesmen like Marshall and Vandenberg recognized the need to unite in a single, cohesive foreign policy. From that recognition we gained unity, in unity strength, and from strength great success.

History has already recorded that both the challenges to peace and the challenges of peace were well met by the man we honor today, and we could ask no better example as we face similar challenges today. For more than half a century, as a cadet at the Virginia Military Institute, as an Army officer and Chief of Staff, the Secretary of State, as President of the American National Red Cross, and as Secretary of Defense, General George C. Marshall served his country with unswerving devotion and uncommon ability.

Such a record fully deserves the honor all of us pay him today. It is a record that symbolizes the best of America, for General Marshall personified the strength, the dignity, the compassion, the eagerness for challenge, and the pursuit of peace which are the hallmarks of the American experience. It is a record beautifully presented and fittingly preserved in this great hall.

Sir Winston Churchill once said of General Marshall that succeeding generations must not be allowed to forget his achievements and his example. Having seen this corridor today, having recalled with new admiration and affection his half century of service, none of us need doubt that George C. Marshall's long and important career in American history will endure and inspire his countrymen for many, many generations to come.

Thank you very much.

NOTE: The President spoke at 2:58 p.m. at the Pentagon. In his opening remarks, he referred to Martin R. Hoffmann, Secretary of the Army, Ellsworth Bunker, Ambassador at Large, William P.

Clements, Jr., Deputy Secretary of Defense, Frederick C. Weyand, Chief of Staff, U.S. Army, and George M. Elsey, president of the American National Red Cross.

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Remarks to the 85th Continental Congress of the Daughters of the American Revolution. April 21, 1976

Thank you very much Mrs. Smith, members and guests of the Daughters of the American Revolution:

It's a very great honor and a tremendous privilege for me to meet with you again in this historic hall. In this Bicentennial Year we have a very special reason for rededication of the ideals and to the principles that motivated American patriots in 1776.

I am very proud that my mother was a very active and dedicated member of the Sophie de Marsac Campau Chapter of the Daughters of the American Revolution. The principles of loyalty and love of this country which she cultivated in her children are just as important today as they were throughout her lifetime. And they will continue to be important throughout our third century of freedom in America.

The patriots of 1776—men like George Washington and Patrick Henry—did not mince words nor will I, 200 years later, in reporting to you on a matter of growing national concern.

Over the past several weeks, as the 1976 political campaigns have begun to heat up, more and more attention has focused on the issue of America's military

strength. Frankly, I presume this has happened because a grab bag of other issues have tried and failed. However, this should not be a partisan discussion. On national defense matters, some of my supporters are Democrats and some of my critics are Republicans. Nevertheless, politics does have a way of confusing the extremely complex issues of national security. This is particularly evident every 4 years when we have a Presidential election campaign.

I welcome the emergence of this debate because during the next 4 years many crucial decisions must be made about our Armed Forces, decisions that will affect our freedoms until the end of this century and beyond. Nothing is more vital to our individual, personal security than the security of our Nation.

At the same time, the gravity of this subject demands that it be addressed honestly, factually, and fairly. Unfortunately, too much of the debate so far has been cast in exaggerated rhetoric that tends to mislead and confuse, not to enlighten and to clarify.

I believe the American people, as well as our friends and adversaries abroad, have too much common sense to fall for oversimplifications, but as your President and as Commander in Chief, I do have a responsibility to set the record straight. And, obviously, it is time for a little straight talk—and I will give it to you this morning.

Recent charges that the United States is in a position of military inferiority, that we have accepted Soviet world domination are complete and utter nonsense. If there is any single standard which has guided my years in public service it has been this: The freedom and security of the United States of America must always be preserved. America is the greatest nation on Earth and we will keep it that way.

I know the DAR's record on national defense and you know mine. They are virtually identical. My knowledge, my concern, my record in support of a strong national defense does not go back merely a few days, a few weeks, or even a few months, but all the way back to 1949 when I first went to the Congress. For 25 years in the Congress I stood for, I spoke for, and I voted for a strong national defense.

For 14 years I served on the House Committee on Appropriations that each year examined in great detail every one of the programs and then provided the appropriations for the Army, the Navy, the Air Force, and Marines. And always, in those years, my stance was on the side of strength for America.

During the years before I became Vice President, as minority leader of the House of Representatives, I fought openly and hard year after year for the maximum military strength recommended, whether by a Republican President

or by a Democratic President. For these last 2 years as your President, I have called upon the Congress to approve the two biggest defense budgets in our American history.

And my pledge to you today is this, that as long as I hold this office I intend to see to it that the United States will never become second to anybody, period.

Let's look at the record more closely for just a few moments. When I became President in August of 1974, some 20 months ago, I reaffirmed my conviction that our military power must be strong enough to carry out three essential objectives, and I found that we successfully met all three. We were and we remain today ready and able to protect our own vital security interests. We were and we remain today ready and able to deter aggression against our allies. And we were and we remain today ready and able to keep the peace.

Yet, as I was sworn into office, it was also apparent that we could not afford complacency about our Armed Forces. Quite the contrary. For the past 10 to 15 years the Soviet Union has been striving with dogged determination to overtake us in military strength. In our own country, on the other hand, many people, especially in the United States Congress, seemed oblivious to the growing Soviet military capability. Instead, Congress seemed to believe that we could channel more and more of our tax dollars into rapidly growing social programs and that our military should receive a smaller and smaller share of our national financial resources.

In the 10-year period from 1964 to 1974, estimated in real dollar terms, the Soviets expanded their defense spending by fully one-third. By stark contrast, military requests of successive Presidents were slashed by \$50 billion in the Congress during this same period. When I became President, defense spending represented the lowest share of GNP since 1947.

There was cause to be concerned about the future security of the country, particularly if the Congress continued to hack away at our military budgets. If the Soviet Union continued to expand its capabilities and we continued to bleed our own defense forces, it was inevitable that the United States would eventually become a second-rate power. Clearly the adverse trend had to be reversed, and I set out to make that one of the foremost objectives of my administration.

In January of 1975, 5 months after I came into office, I submitted my first budget to the Congress calling for a 10-percent increase in overall defense spending. However, that year the Congress cut my defense budget request by \$6,500 million which included reductions of more than \$1,500 million in operation and maintenance for our forces, more than \$3 billion in procurement of weapons and other equipment, and more than \$700 million in research and develop-

ment. Specifically, the Congress refused to provide the full funding I requested for new naval ships, took away funds for two of our new airborne warning and control systems aircraft designed to vastly improve our surveillance, warning, and control capabilities, denied us additional attack aircraft, reduced the funds for modifying civil reserve air fleet aircraft, delaying our backup airlift capability for support in military contingencies, cut our intelligence and communications programs, reduced the program for our new B-1 strategic bomber, cut into the Air Force program for development of a new air combat fighter to maintain our air superiority in the future, reduced our ballistic missile defense technology program, reduced the fund request for war reserve stocks and spare parts needed to sustain our fighting men in combat. I could go on and on but the point is clear: No President could countenance such disregard for the Nation's security needs.

So in January of this year, 1976—only 3 months ago—I submitted an even bigger defense budget: \$112,700 million, or a 14 percent bigger budget than the defense budget of the year before. I also made it very clear that if the Congress sent me a defense bill that shortchanged the needs of this country, I would take the unprecedented step of vetoing it because congressional action was inadequate. Furthermore, I have gone to the American people on this issue. To my satisfaction, it seems the American people share my concern and are communicating that message to the Congress, and their message was loud and clear—stop cheating the country's defenses.

Two weeks ago the Congress took the first steps toward committing us to the biggest single increase in defense spending since the Korean War. I thank you and millions of other Americans for your help in this very crucial matter. I hope you and literally millions of other Americans will keep the pressure on the Congress. The defense program that I am advancing will mean that the United States of America will remain unsurpassed for years and years to come.

Just about 2 weeks ago, we laid the keel for the first of a new class of nuclear submarines to be armed with the most accurate submarine ballistic missiles in the world. The Trident missile fleet will be the foundation for a formidable, technologically superior force through the 1980's. We are now completing the final testing of the world's most modern and capable strategic bomber, the B-1. We are also accelerating work on a new intercontinental ballistic missile for the 1980's. We are developing a new cruise missile for our air and naval forces.

Nor does our effort stop with weapons, for we are also expanding our Army from 13 to 16 combat divisions.

We are seeking to achieve new efficiencies across the board—better ways to carry out our military missions that will not only save taxpayers \$2,800 million for the next fiscal year but will also improve our readiness capability of the Army, the Navy, the Air Force, and Marines.

This is a program designed to ensure that America will never become number two in military power. It is a sound investment in our future, and I intend to see it through—this year, next year, right through to the end of this decade.

I have spoken of our military strength. Let us never forget that our strength will be meaningful only if it is matched by our resolve—our resolve to keep the peace, our resolve to preserve our precious freedom.

No one should mistake our internal debates as a weakening of our intention to protect our interests and to live up to our obligations to our friends. The United States will not only remain secure in its power but I assure you we shall not hesitate to use that power when it must be used in our national interest.

Even as we are determined in our defense, we shall also be determined in our efforts to reduce the potential of a nuclear holocaust. We are continuing the strategic arms limitation talks with the Soviet Union for the simple but very good reason that these negotiations offer the best hope for sanity in superpower relations. Ever since the beginning of serious arms negotiations with the Russians years and years ago, there have been political pressures either to speed up or to slow down the negotiations, and those pressures continue today. Instead, I have chosen a steady but persistent course based on a realistic appreciation of our national interests. Those interests do not lie in an uncontrolled nuclear arms race, but in maintaining an equitable strategic balance at the lowest possible level.

Those who argue that SALT talks jeopardize the security of the United States are badly mistaken. In Vladivostok, we began negotiating an agreement which, if successfully completed, will place equal ceilings on missiles, heavy bombers, and multi-headed warheads.

There are still many important issues to be resolved in the SALT talks. I do not know at this time whether we will succeed, but under no circumstances will we be stampeded by arbitrary deadlines or demagogic political charges. We will be guided solely by the national interests of the United States of America. If a sound agreement is reached, of course, I will submit it to the United States Senate for ratification.

My friends, this election year is still young. There is still time to restore reason and perspective to our debates over national security. Those who seek our Nation's highest office have an obligation, I believe, to spell out the alternative

directions they proposed in our foreign policy and our defense policy. It is not good enough to criticize current policies while refusing to propose specific alternatives. Those who seek the Presidency must be equal to its burdens.

To charge that this administration—an administration that has fought for the two biggest defense budgets in history and for the first time in 10 years is convincing the United States Congress to spend enough for defense—to charge that we have led our Nation into military inferiority is preposterous on its face.

The American people have had enough distorted allegations that we have become a second-rate power. We must see the world as it is. We must form our policies out of hard facts, not political fiction.

First and foremost is the fact that the United States today is the single most powerful nation on Earth—indeed, in all history—and we are going to keep it that way. Our economic power is far and away the largest and the most productive, producing an estimated 24 percent of the world's wealth with less than 6 percent of the world's population. At a time when the number of democracies in the world has dwindled to less than two dozen out of over 140 countries on this globe, we remain the best hope of freedom and the inspiration for liberty of all mankind.

I say that those with faith in America must speak the truth to the American people—the truth that we are the greatest nation on Earth; the truth that we have the strength to defend our interest and to resolve to uphold our values; the truth that we are strong, we can never relax our guard; the truth that for the first time since the days of Dwight Eisenhower, a President standing for election can say we are at peace; and, finally, the truth that we must actively engage in maintaining world peace and defending freedom.

I promise to you that I will do everything within the power of the Presidency to keep America strong—militarily, economically, and morally—as I have throughout my public life, but I need your help. Without your support, without the informed, intelligent, confident, constructive support of all the American people, no President can keep the ship of state on a safe, steady course. But with your help, our 200th birthday as a nation can be truly a rebirth of America.

For 200 years, we have more than justified the faith and far exceeded the wildest dreams of our Founding Fathers. Time and time again, we have repeated the hardships of Valley Forge and the sacrifices of Iwo Jima to protect and to defend our precious freedom. Our dedicated Armed Forces stand guard today in the same spirit.

America today is unsurpassed in military capability. We have the greatest

industrial capacity in the history of mankind. Our farmers outproduce everyone in history. We are ahead in education, science, and technology. We have the greatest moral and spiritual resources of any modern nation.

Let us resolve today to build upon those great strengths, so that 100 years from now our great grandchildren can look back and say they, too, are proud of America and proud to be Americans.

Thank you very much.

NOTE: The President spoke at 10:31 a.m. in Constitution Hall. In his opening remarks, he referred

to Mrs. Wakelee Rawson Smith, president general of the Daughters of the American Revolution.

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Remarks Upon Receiving an Award From the Big Brothers of America. April 22, 1976

THANK YOU very, very much, Mr. Schwarz. Let me thank you very much for giving me the privilege and opportunity of serving as the honorary chairman of the Big Brothers program. I have known about the Big Brothers program for a number of years. It started, as I understand it, back in 1903, and it has had a superb record over the years in giving recognition to big brothers who help little brothers.

With that comment, I want to congratulate Herb Buchanan for being the Big Brother of the Year, and I also want to express to Rick Proctor here my appreciation for the wonderful job he has done in being the Little Brother of the Year. My very best to you.

As we look around this country and see the tremendous job that is being done by the Big Brothers organization—men who have taken the responsibility of fatherless boys and given them an opportunity and a blessing that only can come from a father—I think people like Herb Buchanan here and others deserve a great deal of credit.

I know that Rick understands how meaningful it has been to him and to literally thousands of others to have an opportunity for the guidance and the help and assistance of somebody like Herb Buchanan.

There is no question, Rick, that as you grow older and assume your position and responsibilities in our life in this country, you can look back on this experience with Herb and Mrs. Buchanan, who I suspect has had some impact, that you will be a much finer citizen than you would have been if you had not had exposure to the Big Brothers. So, good luck to you.

Herb, thank you for doing a fine job.

NOTE: The President spoke at 12:34 p.m. in the Rose Garden at the White House, on receiving a belt buckle from Maurice Schwarz, president of the Big Brothers of America.

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**Exchange With Reporters on Arrival at Indianapolis,
Indiana. *April 22, 1976***

THANK YOU very much, Bill. Of course, I have been in Indianapolis on a number of occasions and it is great to be back. I am especially grateful for the opportunity to be here and to get this key from you as the Mayor of Indianapolis. I thank you very much. Of course, it is a great privilege to be here with the Governor, who is an old and very dear friend of mine. It is just nice to be in Indiana.

We had a great experience a couple days ago. We had some of Indiana's outstanding heroes when we had the Indiana basketball team down at the White House. They certainly are nice young men, and they had a great record.

With that, I will be glad to answer any questions.

REPORTER. Mr. President, would you tell us, sir, give us a summary of the condition of your campaign finances and why, in your judgment, we are unable to continue with the Federal dollars for the Presidential campaign?

THE PRESIDENT. Well, let me answer the last question first. The reason there is no continuation of the law that was passed in 1974, which would give to candidates for the Presidency in both parties Federal financing, in part is because the Congress, since January 30, has done nothing to amend the unconstitutional provisions in the law that the Supreme Court on January 30 said had to be corrected.

On January 30 of this year, the Supreme Court said certain provisions were unconstitutional. It is almost 3 months now and the Congress has not yet sent to my desk for my signature a bill that would correct these deficiencies.

So, the blame for this problem is solely on the shoulders of the United States Congress. They have been on two vacations, they have not done a thing in passing a final version, and once the Congress moves then we can make a decision.

Q. Would you respond to Congressman Udall's complaint that your finances are in good shape so you are not going to be hurt by this delay, but that his

financial condition is not so good and neither is Ronald Reagan's so that they are harmed by the delay?

THE PRESIDENT. Well, of course, the blame for this whole problem goes right to the United States Congress. As I said a moment ago, Congress has had almost 3 months to correct a very simple deficiency in the law as determined by the Supreme Court. Three days after the Court acted, on January 30, I said to the leaders of the Congress, both Democrat and Republican, pass a simple amendment and the whole matter will be taken care of.

It is now almost 90 days and Congress has not yet acted to send a bill to correct the problem. So when Mr. Udall or Mr. Reagan or Senator Jackson or any of the others complain, they ought to get hold of the Congress. They have not completed any action. That would have taken about maybe a page and a half of very simple corrections to straighten out the mess, and they have wasted 90 days, and they have still not done a thing to correct it.

Q. Mr. President, how important is the Indiana primary to you, especially in light of the statement by Rogers Morton ¹ that you may be in trouble in Alabama and Georgia the same day and that Texas, 3 days earlier, is a toss-up?

THE PRESIDENT. Indiana is a very important State. I have a great affection for Indiana. Michigan and Indiana have gotten along together for a good many years. I have a special personal reason for wanting the support of the people of Indiana. I know many people here. I always enjoyed being here. And, aside from the political side, I would certainly like to get a successful campaign here in Indiana so that we could have the delegates when we go to Kansas City.

Q. The first question that we asked was, how much money do you have?

THE PRESIDENT. Well, our campaign for the moment is in the black, but we have done that by, I think, spending our money that has been contributed in a very responsible way. We have not wasted the President Ford Committee money and, as a result, we are in the black. We don't owe anybody; we are operating in the black instead of the red. I kind of like to operate a balanced budget, whether it is in the Federal Government or whether it is in the President Ford Committee. So, we have been husbanding our funds.

Some of these other candidates have apparently either wasted their money or have not planned it properly so they are in some trouble. But the President Ford Committee, because we spent it wisely, we have handled it well, we are in the black.

Q. Would you tell us what is the effect on the chances for an arms limitation

¹ President Ford Committee campaign manager.

agreement, the effect of the debate between you and Ronald Reagan over whether this country is first militarily?

THE PRESIDENT. Well, I would not let any partisan or nonpartisan political charges interfere with responsible negotiations involving an attempt to lower the nuclear capability of the two super powers. If we don't negotiate a responsible nuclear limitation on both parties, we could have a runaway nuclear holocaust that would be disastrous from the point of view of the entire globe.

So, I am going to approach the problem in the future as I have in the past, regardless of the political campaign, to try to lower the number of ballistic missiles, of nuclear potential, and this will be done regardless of any party or partisan politics.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Okay. Nice to see you all.

NOTE: The exchange began at 6:25 p.m. at Weir-Cook Field after the President received the key to the city from Mayor William Hudnut.

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Remarks and a Question-and-Answer Session at a Public Forum in Indianapolis. April 22, 1976

Thank you very, very much, Governor Bowen, Congressman Bud Hillis, Congressman John Myers, Mayor Bill Hudnut, President Jones, Jack Guest, students, faculty, and guests of Butler University:

Before getting into a very short text, I am glad that Governor Bowen mentioned my alma mater. Michigan had an unblemished record. We are the only team in the country that lost three times to Indiana. [Laughter]

Well it is a very high honor and a very great privilege for me to participate in the Butler University Student Assembly Lecture Series here this evening, and I thank you for the opportunity, and I am deeply grateful for this wonderful crowd.

I admire Butler University for many, many things but I must say that one of your accomplishments is particularly impressive—that is, the ability of this university to balance its budget in each of its last 20 years. I don't know how many times President Jones had to use his veto to keep the budget in balance, but whatever he is doing it sure seems to work, and I congratulate you.

As some of you know, I vetoed a few bills in my time—48 to be exact in a 20-month period, and 39 of those vetoes have been sustained by the Congress,

saving the American taxpayer \$13 billion. And let me say that if the Congress in the future sends down the same kind of irresponsible legislation, we will veto them again and again and again.

But, President Jones, I won't be satisfied until we match your record and balance the Federal budget. With your support and a little help from the Congress, I fully intend to balance that Federal budget within 3 years and give the American taxpayers another long overdue tax reduction.

I can also report to you that the worst economic recession America has suffered in 40 years has been replaced by a strong and stable economy. Today, in our economy, everything that is supposed to be going up is going up and everything that is supposed to be going down is going down. And let me cite you a few specifics: Today, more Americans are gainfully employed than ever before in the history of the United States—86,700,000 Americans were working in March of 1976 and that is over 2,600,000 than were working in America a year ago. And that is a lot of progress.

At the same time, unemployment is coming down from a high of nearly 9 percent last May to 7½ percent today. That is still not good enough but that is real progress. And the trend is in the right direction and we are going to keep it there, and we are going to do better and better in the months ahead.

Real earnings for the American workers are up dramatically over what they were a year ago. Total retail sales are up more than 17 percent from last year; auto sales are up 43 percent; furniture and appliance sales are up more than 17 percent; food sales are up more than 9 percent; and general merchandise sales are up 13 percent.

The most important factor, however, which I think is extremely vital—the index of consumer confidence is double what it was a year ago. The Commerce Department announced earlier this week that the gross national product rose at an annual rate of 7½ percent for the first quarter of 1976. The Consumer Price Index released just yesterday showed that the annual rate of inflation for the first 3 months of 1976 was only 2.9 percent—the lowest quarterly inflation rate since the summer of 1972. Again, that is real progress.

It is very easy to get lost in a sea of statistics when we talk about the economy, but all of these statistics point to one simple, undeniable fact: We are on the road to a new prosperity in America and we are not about to be sidetracked now, particularly by bad legislation from the Congress of the United States.

One of the most important reasons for our economic success in recent months has been the contribution of what Earl Butz calls the miracle man of the 20th century, the American farmer. In fact, the last 3 years have been the highest net

farm income years in America's history. And that's a tremendous record—a tribute to the farmers in Indiana and all of the other 49 States.

I don't think it is a mere coincidence that these three very successful years have been years when the government let the farmer alone and let him produce without a lot of bureaucratic interference from the Nation's Capital.

I can promise you that that is the kind of successful farm policy that I intend to pursue for the next 4 years. I propose that we continue the farm policies which yielded \$21,600 million agricultural export market last year and will be about \$22 billion this year.

I propose that we continue policies which will enable the American farmer to export an estimated 47 million metric tons of feed grain, an alltime record in the current marketing year. I also urge the Congress to enact my proposal to increase the estate tax exemption from \$60,000 to \$150,000. I want the family farms and other family enterprises to pass from one generation to another and keep them in the family instead of sacrificing those wonderful products of hard work, love, faith to some government tax collector.

These are some of the policies that this administration has followed for the last 20 months and some we intend to follow for the next 4 years to keep agriculture strong and to keep it growing in the United States of America. And I am very, very proud to say that the man in charge of those policies is one of the finest public servants ever to come from the Hoosier State or from any State, the Secretary of Agriculture, Earl Butz.

I have appointed Earl as Chairman of my new Cabinet-level Agricultural Policy Committee which will have the central role in developing and directing our Nation's food policies. With Earl Butz as Chairman, you can be sure that his strong, plain-spoken common sense and his enthusiastic advocacy of the American farmer will be well heard in the highest councils of this Government. And Indiana can be very, very proud to claim this exceptionally good man as a native son.

Finally, let me say that as we enter our third century of independence, America has every right and every reason to be confident about its future. When you put it all together, agriculturally, economically, technologically, militarily and, very importantly, morally, I am proud to be an American and proud of America.

I believe the United States is in the springtime of its life, and I look forward to working with all of you to meet the great challenges of the future and to fill that future with new achievement for the nation that we all love so well.

It is a pleasure to be here. Now I will be delighted to and pleased to answer your questions.

QUESTIONS

THE ECONOMY

[1.] Q. Mr. President, recent improvements notwithstanding, this country still suffers higher rates of inflation and higher unemployment than 10 years ago or 20 years ago. It is cheering news, of course, that the state of the national economy is improving. I should like to attribute this improvement partially to the fact that in college you, Mr. President, majored in economics. The question I pose: Why do you not pursue your proposals which would expand productive capacity and thereby could create more jobs, more profits, and more tax revenue?

For instance, you have proposed deregulation. You have proposed, Mr. President, among many others, the deregulation of national airlines to enhance air travel at lower prices as it happened in the States of California and Texas—no actions.

Did you know, for example, that in Pittsburgh the manager of a dairy cooperative was sentenced to jail because he sold milk 15 cents cheaper and paid more to farmers than other dairies? To make matters worse, this is happening when we are fighting inflation.

Mr. President, I fully agree, and this audience fully agrees with you, that the maze of regulation restrains the productive capacity of this Nation. So, Mr. President, my question is, since you have difficulties in bringing about the general Ford economic policies, why don't you tell the American people in detail about this confusing and unpleasant matter? Just because ordinary politicians evade economic issues, economic discussion, there is no reason for you to do so.

THE PRESIDENT. Professor, let me very quickly give some background. When I became President, the rate of inflation was 12 to 13 to 14 percent, and now that we are down for the first 4 months of this year to 2.9 percent we must have been doing something right.

But we are not doing as well as we must do, and that is why I had recommended to the Congress last year in the State of the Union Message that we cut taxes and that we restrain spending. And if the Congress would follow the recommendations that I made last year for a \$28 billion tax reduction, 75 percent of it to go to individuals so they could have more money to spend

themselves, 25 percent of it for business so they could have more money to expand and improve their plant capacity, we would be further ahead today than we are.

Now last January, of this year, I reiterated that the way to get a more healthy economy, more quickly, is to have an additional tax reduction June 30 or July 1 of \$10 billion and at the same time cut the rate of growth of Federal spending which, for the last 10 years, has been 10 to 11 percent, to 5 and one-half percent. The Congress so far has not acted favorably on either of those two proposals. I can assure you that as we go down the remaining months that Congress is in session, I am going to the American people, just like I am here in Butler Stadium, to tell them the way to get a more healthy economy is to reduce taxes in the Federal Government and to reduce Federal spending.

SECRETARY OF STATE KISSINGER

[2.] Q. What are your plans for Secretary of State Kissinger in the event that you are elected?

THE PRESIDENT. I said before and I am very pleased to reiterate it here tonight, I have told Secretary Kissinger, I have told the press, I have told anybody who has asked me that he can stay as Secretary of State as long as I am President of the United States.

And let me tell you why. I am the first President, Democratic or Republican, for a number of years, who has run for election and that person who occupies the White House could say that the United States was at peace. What does this mean? This means the foreign policy of this administration, as executed by Secretary of State Kissinger, under my direction, is successful. And if you have somebody on a ball team who is successful, you keep him, you don't get rid of him. Our policies are right and good and successful, and as long as he wants to stay, he will be Secretary of State under my administration.

GUN CONTROL

[3.] Q. About gun control, don't you think it is about time we got realistic and banned the Saturday Night Special? And do you favor taking any stronger measures in the way of gun control other than this?

THE PRESIDENT. Last year, I submitted to the Congress a comprehensive anti-crime bill which included a number of provisions aimed at controlling the illegal use of guns, and let me cite you what they were:

Number one, I proposed to the Congress that we make it a mandatory certain penalty for anybody who commits a crime while in the possession of a firearm.

In addition, I suggested to the Congress that we tighten up the control of these cheap handguns called Saturday Night Specials. A few years ago the Congress passed legislation to prohibit the importation of Saturday Night Specials from overseas. But the people who make them overseas, what they did to evade the law was to send the parts to the United States, and they have been assembled in our country.

Now, those cheap handguns are not guns that any gun fancier keeps. Those guns are cheap, inaccurate guns that ought not to be on the street, and we not only ought to prohibit their importation but we ought to prohibit their sale in this country.

Now, one other thing that I did recommend: we have about 10 major metropolitan areas in this country where guns have contributed very significantly as a weapon in the numerous murders that have taken place in those areas. In order to try and control the illegal use of guns in those major metropolitan areas, I have asked the Congress for additional funds for more people for the alcohol, tax [tobacco] and firearms division of the Department of Treasury so that they can do a better job in those areas.

Now, let me add one final feature: I don't want anybody in this audience to get the wrong impression. I am not for the kind of gun control that some people advocate. I do not believe we should penalize the legitimate owner of a firearm, period. I, therefore, am opposed to the registration of a gunowner, and I am opposed to the registration of handguns.

ALL-VOLUNTEER MILITARY FORCE

[4.] Q. Mr. President, my question is this: If the voluntary Army is not sufficient for our national defense, will there ever be a need for another mandatory registration for military service?

THE PRESIDENT. We now have 2,100,000 men and women in the Army, the Navy, the Air Force, and Marines. We are able to sustain that active duty manpower under the voluntary Army, Navy, Air Force, and Marine program.

I happen to be a great advocate, have been for a long time, of an all-volunteer military force. I think it is working. As a matter of fact, because of its success we have not only gotten more recruits than we need but we have been able to increase the intelligence level of those who are being accepted. So, we are not only getting volunteers for a longer period of time but the intelligence capability of those who are recruited is above what it was when we had the draft.

I am absolutely convinced as long as we have a well-led military force, as long as we create the right environment, as long as we pay them a proper wage, and

as long as we inspire them, I think we can get all of the active duty military personnel that we need under a voluntary program and, therefore, do not need to utilize a selective service program.

PRESIDENTIAL PRIMARY SYSTEM

[5.] Q. What is your idea of making the primary elections similar to the November election so that we can vote for the person and not declare our party?

THE PRESIDENT. That is a very interesting suggestion, and I think it certainly merits some considerable study. As a matter of fact, I believe our whole Presidential primary system needs some in-depth analysis by the Congress, and the Congress must do it because you will have to amend the Constitution in order to have a nationwide Presidential primary. And I happen to believe that at a minimum we ought to have regional primaries for Presidential nominations and your suggestion would fall into a category that ought to be thoroughly investigated at the time the Congress takes a look at the Presidential primary system, period.

EMPLOYMENT OPPORTUNITIES FOR COLLEGE GRADUATES

[6.] Q. Mr. President, I am a Butler student, and because of this I am concerned because in recent years college graduates have had a hard time getting jobs once they are out of school. Do you have any encouragement for us, and do you have any solutions to this problem?

THE PRESIDENT. Yes, I can be encouraging to you. The students who graduate in 1976 from Butler or any other college or university will have a much greater opportunity for getting a job than those who graduated in 1975. In June of 1975, we were at the trough of the economic recession and it was very, very difficult for any graduate to get a job. But in the meantime, as I pointed out earlier, in the last 10 to 12 months, we have increased those gainfully employed in this country by 2,600,000 and we are at an alltime employment record of 86,600,000.

Now, that does not mean that job opportunities are going to flow to your doorstep but, may I add parenthetically, that has not been the case—well, many other graduates in other years have had the same experience. But, anyhow, we have about 2 million new, young labor market entrants every year, including college and university graduates. We have to expand our private sector because five out of the six jobs in America today are in the private sector; one out of six are in government.

So, if you are going to really expand job opportunities, you have to expand our private sector by tax incentives so that companies will accelerate their modernization, so that companies will move into areas of high unemployment and

build the plant more quickly, so they will have an investment tax credit to improve their efficiency. We have to help industry in order to help college graduates because that is where your job opportunities really are.

SULFUR DIOXIDE POLLUTION

[7.] Q. Mr. President, I am a student here at Butler University from Cincinnati, Ohio. My question is, do you feel that the recent controversy concerning EPA's chest study on the health effects of sulfur dioxide will have any major effect on the present air regulation?

THE PRESIDENT. Well, you are referring to the recent decision by EPA that said, as I recall, the previous decision they had made involving catalytic converters that sulfur dioxide was a very serious problem but now have downgraded that danger, to some extent.

I have to rely quite frankly on the technicians—the scientists, the engineers. And if the EPA, after more thoroughly analyzing the results of the tests of the catalytic converter, have come to that conclusion, I think it is the responsible position for me to stand by them.

Q. Thank you.

THE PRESIDENT. Do you agree? I am not an engineer or a scientist and when they say sulfur dioxide dangers are not as great as they thought they were 6 months ago, I think the responsible position for me to take is to support them.

REASONS FOR SUPPORTING THE REPUBLICAN PARTY

[8.] Q. Mr. President, I am a Butler student. I would like to ask you what, in your opinion, does the Republican Party have to offer to the college student?

THE PRESIDENT. I think it can be summarized very quickly. If I were a college student graduating in 1976, I would be a supporter of the political party that has given to this country an opportunity in our economic system to have job opportunities, to get us out of the kind of recession that we were in caused by oil price increases and agricultural price increases. I would support a party that believes in the free enterprise system and not a government-regulated society. And I would also support a political party that could say that our country, through good foreign policy and military capability, was at peace. And that is what we have and that is what we are going to continue.

THE PRESIDENT'S IMAGE

[9.] Q. Mr. President, I am from Evansville, Indiana. On several recent episodes of Saturday Night Live you have been portrayed as being—[laughter]—

shall we say, clumsy. Do you think that by portraying you this way this has possibly increased your popularity among the average American?

THE PRESIDENT. Well, I have not quite thought of it that way. [*Laughter*] But if that is the end result, I am delighted to have that conclusion.

Well, to be serious for a moment, I think in the world in which we live you have to expect the bitter with the sweet, and you have to take a little kidding here and there. You have to expect some sharp barbs in a political campaign, and you have to expect various people in the press and elsewhere to have a lot of fun with those kinds of things. You just have to let it roll off your back like water off a duck's back, and that is what I did.

ABOLISHMENT OF SENATE SUBCOMMITTEE ON INTERNAL SECURITY

[10.] Q. Mr. President, I am the editor for the Kokomo High School Red and Blue. This Saturday I will be attending a student congress here in Indianapolis and, at that time, I will be debating a bill which concerns the Internal Security Committee. For my own personal information at that time I would like to know, why was the Internal Security Committee abolished last year?

THE PRESIDENT. You are speaking of the Internal Security Subcommittee of the Senate Committee on the Judiciary.

Well, I think you will have to ask the Senators. I am not a Member of the United States Senate. The decision was made by a majority of those Members of the august United States Senate. And why they did it I can't honestly tell you because that is totally a decision involving the legislative branch, and if I, as President, or any President ever told 100 Senators what they should do with internal housekeeping, I don't think any of them would ever speak to me again.

But, in all seriousness, I think that is a matter that you would have to ask the majority of that legislative body why they did it. They had had it for 30 or 40 years and their decision has to be justified by the people that made that decision.

You ask me about the executive branch and I will answer any question, but to answer questions concerning the Congress, I am not up there any more.

Q. So you can't answer the question?

THE PRESIDENT. Yes. Go ahead.

Q. You don't have the answer?

THE PRESIDENT. I can't give you a——

Q. Mr. President, this will be the last question.

THE PRESIDENT. Let's have one here, one there, and then one back over here. How is that? Let's have two and two. Go ahead.

FEDERAL REVENUE SHARING PROGRAM

[11.] Q. Mr. President, I am a member of the City-County Council of Indianapolis, Indiana. Many of us, and I am sure many councilmen across the land, are concerned about the future of Federal revenue sharing. I am concerned about your position now and what your position might be in 1977 and the 3 following years? Thank you.

THE PRESIDENT. Well, I was one of the original sponsors of revenue sharing back in 1972, and I did all I could to get the legislation through the Congress at that time, which we did for a 5-year period. That legislation now expires December 31, 1976, and almost a year ago I recommended to the Congress the extension of that program for a 5¾-year period with a \$150 million growth, in addition, each year.

Now, so far the Congress has not acted. A committee in the House of Representatives has approved a modified program. We are doing all we can at the White House to get the Congress to approve that legislation. But I think the best pressure to get the legislation has to come from Indianapolis and Grand Rapids and San Francisco, from the people who know that if that program does not go through—as I recall, the State of Indiana as a whole gets in the 5-year period about \$1 billion, two-thirds of it to cities and towns and counties, one-third to the State—and if that program is not extended, cities, counties, towns, and the State of Indiana will either have to cut back services or will have to increase taxes. It is just that simple.

So, if you are interested in preserving services or interested in not having an increase in taxes, then you ought to help us get the Members of Congress to move on this legislation, and I will be for it in '77 just like I was in '72 and '76.

FEDERAL AID TO EDUCATION

[12.] Q. Mr. President, I, too, will be participating in the student congress this Saturday, and my bill involves the Federal role in education. I was wondering, in view of the fact that high school graduates' scores on tests to enter college have been declining, if you would be supporting any Federal programs involving education?

THE PRESIDENT. I submitted to the Congress in January of this year a revised Federal aid to education program that would do away with 26 categorical grant programs and give the same amount of money with a \$200 million or \$300 million bonus, but do it in what we call a block grant approach.

In other words, the Federal Government would give the money to the State and to the local units of government without a requirement of matching, and

instead of giving it in 26 pieces it would go in one piece. So that at the local level—and this is the crux of the matter—at the local level the people in Indianapolis or Kokomo or South Bend or Fort Wayne could make the decision themselves how they want to spend that money on their education program in their hometown.

I think that makes much more sense than having Federal bureaucrats in Washington in 26 different cases telling the people in Indianapolis how to spend their money.

INFLATION AND FEDERAL EMPLOYEES PAY INCREASES

[13.] Q. Thank you, Mr. President, for letting me ask this question. I am one of many thousands of Federal employees who are trying every day to do a job for the people, to cut costs, and I believe we are doing it with the resources we have. My question is, however, I was also one of the Federal employees who had their cost-of-living increase cut, and now I see in the news every day union contracts being negotiated and some elements allowing increase in living costs in their weekly income or monthly income.

My question is, you said earlier tonight that you wanted to cut inflation, and you have cut inflation. But where does it stop? What is the minimum? Next fall the auto workers will be negotiating a contract. If they get an increase in living costs, we all inevitably will pay for that and the Government's Federal employees might have to have their cost-of-living increase cut again. I am just wondering what your plan is for cutting inflation, and what is the minimum inflation rate?

THE PRESIDENT. Well, I wish the rate of inflation was zero—the country would be a lot better off. And we have made a lot of headway, as I indicated.

But let me give you the story of what happened last year as it involved the almost 2,500,000 Federal civilian employees. And I agree with you that they, as a whole, seek to do—try to do a good job. They have got a lot of silly rules imposed on them by the Congress that make their job harder. But aside from that, last year when the cost of living amount of 8.6 percent was anticipated, I had to take a look at what that cost would be to the Federal Government with a deficit that we had and the burden that we had on all of our society. So, instead of recommending an 8.6-percent pay increase, I recommended a 5-percent pay increase and the Congress approved that reduction from 8.6 to 5 percent.

Now, I know that somebody who was expecting 8.6 and got 5 is disappointed, but let me say this in all sincerity: A Government employee who is classified, who has civil service status, is not the victim of the peaks and valleys of an economic recession. There are few, if any, lay-offs in the Federal Government. Once

a person is on the payroll and has his Civil Service status, it is seldom, if any, that he is unemployed, so he does not have to face the problem like auto workers have or any other private sector employee. So, in my judgment, the fact that you got a slightly less pay increase is offset, to some extent, by your more or less guaranteed annual wage.

Q. I understand that and I agree with you, but I just hope we can stop, so that we don't have to ask for any more increases, and I know you do, too. Do you have any answers? I guess no one does, and I guess you don't either.

THE PRESIDENT. Well, I think the program that I have pursued for the last 20 months has shown significant progress in trying to get a handle on the rate of inflation. When you can go from 12 to 13 percent down to 2.9 percent, by any standard that is pretty good progress, and we are going to do better.

Well, let me thank you, President Jones, and all of the students and faculty at Butler and all of the citizens of Indianapolis and Kokomo and every place else. It has been a great privilege and pleasure for me to be here. I am deeply grateful for this opportunity. These kinds of public forums are healthy and are the strength and the bulwark of America—we ought to do more of it.

Thank you very much.

NOTE: The President spoke at 8:05 p.m. in Hinkle Fieldhouse at Butler University, which sponsored the forum. In his opening remarks, he referred to

Alexander E. Jones, president, and Jack B. Guest, president of the Student Assembly, Butler University.

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Remarks at President Ford Committee Headquarters in Indianapolis. April 23, 1976

Thank you very, very much, Bill, Governor Bowen, other distinguished guests, and, particularly my old and very good friend, Bill Bray, here—it is awful nice to see you, Bill.

You can't imagine what a thrill it was to come to Indianapolis and have that wonderfully warm welcome that was accorded me last night at Butler University Fieldhouse.

I can't imagine anybody having a warmer spot for a city or the people than to have that kind of an expression. So, I thank you if you were there, I thank you if you weren't, because it was a great night—just thanks very, very much.

Now, let me also express my deepest appreciation to your wonderful Governor—didn't I just see Bob Orr¹ come in—and all of the other people in the

¹ Lieutenant Governor of Indiana.

President Ford Committee here in Indianapolis and elsewhere in Indiana for the superb job that all of you are doing to make certain that we carry Indiana on May 4.

I can see here in this room that you are not only great in quantity but, goodness me, you have got the best quality I can imagine.

Let me give you a quick analysis of where we are. As we get more or less to the halfway mark, we are well above the 50 percent of the delegates that we need to win in Kansas City in August of this year. And when we keep going down the road with the momentum that we have gotten from the various primaries and from the various convention States, that momentum is real, and we are going to Kansas City and win, and win in November thereafter.

And let me tell you why I think we will win. We have got great organizations and outstanding leadership in every State of the Union, and you here in Indiana are typical. You have got the top people at the head, and we have got tremendous volunteer support.

I think also we have the right programs. And what are those programs? Those programs are aimed at having a strong economy that is going to provide jobs in the private sector, and those jobs have come because we have got the right programs.

As you will recall, when I became President we were on the brink of a very serious recession—the worst in 40 years in this country. We didn't panic. We took the right course of action. We decided that the best place to get jobs for people was not in government, loading up the Federal payroll, but getting jobs in the private sector, and it has paid off because right now we are moving up. Everything is going up that ought to be going up and everything is going down that ought to be going down, so keep the faith. We are going to win on this. It is the best program of any for any candidate to have this kind of a move, this kind of a trend that we have right today.

But let's talk about our other big assets. I think the old traditional programs are still sound. If you have got prosperity at home and peace around the world, those are the programs that are successful. And right now, for the first time in a good many years, there isn't a single U.S. military officer—man in combat around the world. We have got peace, and we are going to keep it that way.

Now let me just make one or two other comments. A lot of politicians—and I exclude Bill and I exclude the great Governor and your fine, outstand-

ing Lieutenant Governor and any other Republicans who are here—[*laughter*—you promise only what you can produce, and you produce everything that you promise.

This administration is going to be frank and candid and honest with the American people. We have been, and as a result of that we have their faith and their trust.

So, I say to you, we have got the right organization with the right leadership. We have got not only quality but quantity in the volunteers. We have got the right programs both at home and abroad. We have got the enthusiasm, we have got the momentum and, believe me, we are going to win in Indiana on May 4. And we are going to the convention in August and we are going to win there, and we are going to win in November.

Thank you very, very much.

NOTE: The President spoke at 8:10 a.m. In his opening remarks, he referred to William G. Bray, U.S. Representative from Indiana 1951–75.

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Remarks and a Question-and-Answer Session in Indianapolis at the Statewide Convention of the Indiana Broadcasters Association. April 23, 1976

I THINK the best way to proceed on this is to limit my remarks to the minimum and give all of you the maximum opportunity to ask some of the questions that might be on your mind.

I just wanted to notify all of you I paid off my bet with Bill Hudnut,¹ which I made with him before the Michigan-Indiana basketball game. I had lots of hopes. Our boys tried real well but, you know, we are not really disgraced. We have an unblemished record. We are the only team that lost to Indiana three times in 1 year. [*Laughter*]

Well, thank you very much. You come from a great industry. I like the idea of the competition that you have within your industry—AM-FM radio, television, private, public. This kind of competition is healthy just like competition in athletics or in politics. I enjoy it—obviously you all do—and as a result, your industry is stronger, more effective and, I think, better in the public interest.

So, thanks for the chance to answer your questions and good luck in the years ahead. So, who's got the first question?

¹ Mayor of Indianapolis.

Okay, don't be so shy. They aren't this way up in Michigan. [*Laughter*]

QUESTIONS

SINGLE PLATOON FOOTBALL

[1.] Q. Mr. President, I'm Hilliard Gates of WKJG television of Fort Wayne. Should we return to single platoon football? [*Laughter*]

THE PRESIDENT. Well, you know, back in the days when I played, when the ball was round, most of us did play, if we made the team, 50 or 60 minutes. But, no, I really think that the caliber of football today is infinitely better for the spectators—gets more kids to play, more interest among the student body. I wouldn't go back to single platoon football. I think the way it is now, the quality is better, more kids play. I am for what we have.

Do I see a young lady coming forth here?

FEDERAL REVENUE SHARING PROGRAM

[2.] Q. Mr. President, Diana Moore, Indiana Forum, Incorporated. In your opinion, do you think there is a realistic possibility that the Congress will defeat the revenue sharing renewal?

THE PRESIDENT. The Congress has been very dilatory in extending the general revenue sharing legislation which expires December 31 of this year. Last year, about 9 months ago, I recommended a 5¾-year extension of the existing law. It increased, in my recommendations, the annual amount that would go to States and local units of government.

We have put all kinds of pressure on the Congress, because I think the general revenue sharing program has been tremendously successful. And let me say this: If it is not extended, as I recall, Indiana will lose roughly a billion dollars in the next 5¾ years. That means that the State and the local units of government will either have to reduce services or will have to increase State or local taxes.

So, if we want to avoid either one of those bad alternatives, the proper way to handle it is to get the Federal Congress to extend general revenue sharing along the lines that I have proposed. We are doing all we can. But let me ask all of you, you are public information educators—we need some help and assistance at the local level, where citizens in Evansville or Kokomo or Indianapolis or Fort Wayne or South Bend understand that if we don't extend this, either their taxes are going up or their services are going down. It is just that simple.

So, if you can help us educate people to be cognizant of the danger, it would be very beneficial.

Q. Well, we are in the process of doing that and, hopefully, everyone will be trying to get a book that we have just published on revenue sharing. It has just come out. It tells everyone how it works, and it would make them more aware in the community so that they can do something.

THE PRESIDENT. Well, I am going to Evansville later this morning. And I understand that in Evansville, over the last 4 or 5 years, Evansville has received roughly \$10 million. They have used it for substantial repaving of their streets; they have used it for the modernization of their firefighting equipment; they have used it to help in their police department, citizens protection organization.

Well, if we don't get general revenue sharing extended, either those services in Evansville will go down or their taxes will have to go up. It is just that simple.

Q. So, you feel that it will not be defeated?

THE PRESIDENT. I can't believe that Congress would be that stupid. [*Laughter*]

BLUE COLLAR SUPPORT OF THE PRESIDENT

[3.] Q. Mr. President, John Dille, WTRC in Elkhart. According to a story in yesterday's Wall Street Journal—I believe, with a Pittsburgh dateline—you are lacking in blue collar support. Could you comment on that?

THE PRESIDENT. I don't agree with that analysis. If you look at the votes we got in all of the primaries, I think we did quite well. And I don't know on what basis that story was written. I think it was pure speculation—made a good story, but I don't think it has any factual background. Certainly, I got a lot of blue collar support when I was a candidate for Congress for 13 terms. And I am sure that the policies we have which are aimed at tax reduction and a reduction in the rate of growth of Federal spending and with the tilt toward the middle class in our tax reduction programs, that should have a great appeal to the blue collar workers in this country.

ROLE OF PUBLIC BROADCASTING

[4.] Q. Mr. President, Frank Meek, WFYI public television for Indianapolis. I was very pleased to see that your administration at least introduced, or caused to be introduced in the Congress, a bill supporting public broadcasting. What do you see as the role of public broadcasting in the United States today, Mr. President?

THE PRESIDENT. I think public broadcasting has a very definite role, in that it isn't dependent upon the commercial market. It should have its emphasis on

more public service-oriented programs. It doesn't have to compete in the same way that the private or commercial television organizations do in the entertainment field, as such. So, I hope and trust that public television continues as it has. We support it.

On the other hand, I don't want you encroaching on the field of the private television people, and I don't want them to molest the responsible role that you have in the information field.

THE FEDERAL BUREAUCRACY

[5.] Q. Mr. President, Vic Kasper from WILO Radio at Frankfort, Indiana. On our last community ascertainment in our area, 7 of the 10 top problems were either caused by the government or government-related. And on several of our talk shows and citizen input—well, the top priority in terms of problems that they see are in terms of the bureaucracy in our country and its cancerous effect that it seems to be having on our free enterprise system.

A general question, but I would like to ask you your feelings and also, where do you think we are going in the next 10 years in terms of the size of Government and its, in some cases, insidious control over our lives?

THE PRESIDENT. Well, number one, one of the first things that I did when I became President was to cancel the projected increase in Federal employment and ordered that there should be a ceiling that would eliminate an anticipated 40,000 extra jobs in the Federal Government. As a matter of fact, we not only eliminated that proposed increase but we saved about 10,000 or 15,000 jobs, as I recall.

Number two, I know that the Federal bureaucracy has imposed on business, on welfare recipients, on everybody, this problem of forms that have to be filled out. And I checked on it shortly after becoming President and found that the Federal Government was requiring a total of approximately 5,200 such forms to be filled out by various individuals or organizations.

I ordered a 10-percent cutback. We are going to make that by June 30, which was the date that I set. So, we are making headway not only in holding the level but reducing Federal employment. And we are trying to get rid of some of the onerous burdens that bureaucracy puts on individuals and organizations.

Now, where are we going? I see no reason whatsoever for any expansion of the Federal bureaucracy. I think we've got enough agencies. I think we've got enough commissions. I don't see any need to have a proliferation of the kind of bureaucracy we have.

And let me give you an example: There is a tendency, every time somebody

comes up with an alleged problem, that they want to create a separate bureaucracy—the so-called consumer protection agency. They want, through legislation, to have a separate bureaucracy that can go around and interfere with the day-to-day operations of the various agencies and commissions of the Federal Government.

I don't think we have to do that, and I have said that I would veto that legislation. I think it is totally unnecessary. It would be another bureaucracy that wouldn't serve a useful purpose. I think we can handle the legitimate claims of consumers without establishing another bureaucracy, so I'm opposed to it. And if we can continue that kind of attitude, I think the future in the next 10 years will be brighter as far as the Federal Government is concerned.

POSSIBILITY OF RONALD REAGAN AS PRESIDENT'S RUNNING MATE

[6.] Q. Mr. President, I'm Burt Sherwood, WMEE, WMAF, Fort Wayne, and from your hometown of WCUZ, Grand Rapids. One very quick question. How do you feel about the possibility of the tieup with Ronald Reagan?

THE PRESIDENT. A tieup with, as a Vice——

Q. As a Vice-Presidential candidate, right. [*Laughter*]

THE PRESIDENT. Well, I have said that after getting nominated, I would be certainly looking at him along with about 10 or 15 others as potential running mates. He certainly has qualifications that would include him as among 10 or 15 other Republicans from the Senate, the House, from Governors, from former Governors. And the hot accusations that he has made without foundation in a number of cases, I understand—that's part of the political rhetoric in a campaign. So, I wouldn't use that; I wouldn't be prejudicial. I just know that when you grab for issues, you sometimes go beyond the facts, and so I wouldn't prejudice his possibilities by that kind of campaign rhetoric.

MIA'S AND U.S. POLICY TOWARD NORTH VIETNAM

[7.] Q. Mr. President, I'm Chris Duffy from WTHR television here in Indianapolis. Last night in a broadcast interview, you seemed to put aside all thoughts of any kind of negotiations with North Vietnam as almost a final statement, except for those negotiations through the Congress for finding MIA's. Sir, is that cut and dried as much as it seemed on the interview last night, or is there more to it?

THE PRESIDENT. Well, I think you have to understand it was in reference to an alleged commitment that we had made to recognize North Vietnam. Now, that is totally without foundation. Let me give you the sequence of this.

We had a congressional committee headed by Congressman Sonny Montgomery of Mississippi—some Democrats, some Republicans. They wanted to go to North Vietnam to try and find any evidence concerning MIA's. We approved of that. They went over. They talked to the responsible North Vietnamese officials. They came back and said that the North Vietnamese were interested in some movement toward normalization.

I wrote back and said we are primarily interested in MIA's. We are willing to discuss some humanitarian efforts. For example, I let some—I think it was the Friends²—take some food over there, but I never said that we were going to normalize relations or recognize the North Vietnamese. This was a report from the committee that said that they, the North Vietnamese, were interested in a normalization of relations.

We are not committed. As far as I can see, there is no prospect of it, and there is nothing that would convince me otherwise. We are interested and will do, below that level, anything to get our MIA's back.

Q. Has anything happened on that in that area, sir?

THE PRESIDENT. On what? The MIA?

Q. On the MIA's.

THE PRESIDENT. Well, there is nothing specific. The congressional committee brought back, I think it was the remains of four. And when a staff member or several from the Senate committee went over to, I think it was Cambodia or Hanoi, they brought back the remains of several others. But there is nothing beyond those specifics thus far.

U.S. IMAGE IN THE WORLD

[8.] Q. Mr. President, I'm Eldon Campbell, a former broadcaster—I am now with the Hook Drug Company. Chris has just led you into the foreign field with his question.

Now that you are responsible for all of us in this country, from your position, do you believe that it is our Government or the people that are afraid to defend this 200-year-old dream on the world stage? I refer exactly to the fact that since World War II, we have had an absolute sequence of non-victories.

THE PRESIDENT. I wouldn't say that we have had a sequence of non-victories. As a matter of fact, the position of the United States today, as we look around the world, I think, is a good one. We didn't do well in Vietnam. We didn't do well in the incident in Angola, but that was a lack of will on the part of Congress.

But other than those incidents, I think the United States is strong and more

² Society of Friends, commonly known as Quakers.

highly respected today than at any time. And it is a good relationship we have throughout the world, both from the point of view of our allies on the one hand, and our adversaries on the other.

So, when I look at the overall picture, I think the United States should be proud of what has been done, and we should under no circumstances apologize for it.

PANAMA CANAL NEGOTIATIONS

[9.] Q. Mr. President, Bob McConnell, WISH-TV, Indianapolis. Another Republican candidate has alleged or suggested that the position taken by this administration in respect to the Panama Canal is endangering our national security. Would you comment on that, please?

THE PRESIDENT. I would be very happy to. [*Laughter*]

I have read my Republican opponent's comments, and if you read them as he has said them himself, the net result is this Government should break off any future negotiations, the current negotiations with Panama. I think that is wrong. What we are trying to do is to make certain that we have the right to operate, the right to maintain and to defend the Panama Canal during its usable economic lifetime—a long period of time that would extend into the next century. And I think that is in our national interest. And even after what we consider to be the useful economic lifetime of the canal, if it continues to operate, it would be operated for the total utilization of all parties.

But let me talk now for a minute about what breaking off negotiations means, as my Republican opponent wants us to do.

Number one, you would undoubtedly have a recurrence of the bloodshed that took place in 1964 and '65 when 20 Panamanians and 4 Americans were killed. I don't know whether you saw the other day the news stories or films taken during that bloodshed, those riots down there. Undoubtedly, you would have that repeated not once, but many times.

Every Latin American country—about 25 of them are against us if we break off negotiations. That means 309 million people in South America are against us. I don't think that is the right course of action, to break off negotiations and get the alienation of 309 million people in South America.

And number three, if we break off negotiations and riots begin, bloodshed is repeated, we will have to send at least 10–20,000 more U.S. military personnel down there to defend the canal.

Now, all of those bad things can be avoided as President Johnson decided, as his successor decided and I decided by continuing negotiations. Now, if you break off negotiations, you have to be willing to accept the things that I have

indicated—bloodshed, riots, more U.S. troops down there, and the animosity and antagonism of 309 million people in South America.

If you continue negotiations, as President Johnson did, his successor and I am doing, you can continue to try and find an answer to avoid those things that I think are wrong. So, I am delighted to have the position I am taking, and I think my opponent's position is totally irresponsible.

Q. Mr. President, this will be the last question.

PUBLIC CONFIDENCE IN GOVERNMENT

[10.] Q. Mr. President, I'm Warren Maurer from WOWO in Fort Wayne. Many of us in this room have just done an extensive survey of our communities for our license renewal. And in addition to bureaucracy, which you have discussed, we see a real problem in the erosion of confidence in governmental leaders. I wonder if you could discuss what we feel is a dangerous problem?

THE PRESIDENT. I recognize that all the surveys you see indicate that the public has very strong feelings against the Congress, against the judiciary, against the White House. I think this is an outgrowth of some of the trauma that has taken place in the span of time primarily during the Vietnamese war. I recognize that we have to restore that confidence. We have tried to do it—and that is the only part I can control—by frankness and candor, an open administration, and an honest attempt by this administration to minimize the redtape and the bureaucracy and the attitude that bureaucrats too often have. We are doing our very best, and I think everybody would admit that we are open and candid. And I hope that in a period of time, we can convince them that our efforts are successful in reducing bureaucracy and getting the right attitude on the part of Federal employees. We are sure going to try.

Q. Thank you.

THE PRESIDENT. Thank you very much. It is a privilege and a pleasure to be here.

Thank you very much, Kelly [Kelly Atherton, president, Indiana Broadcasters Association].

NOTE: The President spoke at 8:45 a.m. in the Convention Room at the Rodeway Inn.

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**Exchange With Reporters on Arrival at Evansville,
Indiana. April 23, 1976**

THANK YOU very much, Mr. Mayor. I am not a stranger to Evansville. I've been here two or three times before, and it's great to come back. And I appreciate very, very much this thoughtful mug that epitomizes freedom of speech—and we've got a lot of that these days—but it is nice to be here and I thank you, Mr. Mayor, as well as all the people of Evansville.

I would be glad to answer any questions from any of the local news media.

REPORTER. Mr. President, a month ago your State campaign manager said you would not be coming to Indiana because of the lead that you had in this State, but here you are, just before the primary. Has there been a change in strategy or a reevaluation of the lead?

THE PRESIDENT. Well, I decided that because I had such good leadership here in Indiana and so many friends that I wanted to come to Indiana and to make sure that I supported them as they have supported me. And because we think Indiana is a crucial State, I'm here. And I've had a wonderful trip so far.

Q. Mr. President, there have been some charges locally that inequity exists in the funding of the U.S. Department of Housing and Urban Development, and even some Indiana officials have suggested that the HUD program be dropped. I would like to know your feelings on this.

THE PRESIDENT. Well, I think the Community Development Program, which was approved in late 1974, is a program that is aimed at holding harmless every local community that had been previously the beneficiary of seven categorical grant programs. And so under the program that I approved—and we are funding every city, regardless of where it is—it is held harmless. That includes those of Indiana.

So, these programs, in my opinion, where we have gotten rid of the seven categorical grant programs and have turned to what we call block grant programs that are much more economical, much more effective, and it gives to the mayor here in Evansville and his associates in local government a lot more authority to make the decisions. So, as long as the money is the same or more, I think the programs ought to be continued.

Q. Mr. President, if the Federal revenue sharing funds are cut, as you propose, Evansville will be hurt. How can you justify that?

THE PRESIDENT. Under no circumstances have I advocated the reduction

in revenue sharing. I have advocated a $5\frac{3}{4}$ -year extension of revenue sharing with more money to go in the general revenue sharing program each year. We believe that in the State of Indiana, which includes the State as well as the local units of government, have gotten around \$550 million. And under the program that I have recommended, and if the Congress approved it, it would go up to something like \$800, \$850 million for the next $5\frac{3}{4}$ years.

So, I believe in the general revenue sharing program and I have actually recommended the increase in funding for general revenue sharing. If we can only get the Congress to do something instead of sitting on its hands, we would have general revenue sharing on the statute books for another $5\frac{3}{4}$ years right now.

Q. Mr. President, you said yesterday that with some help you would like to balance the Federal budget within 3 years. How do you propose to do this?

THE PRESIDENT. We propose to balance the Federal budget by doing two things: number one, cutting the rate in growth of Federal spending from 11 percent per year, as it has been for the last 10 years, to a $5\frac{1}{2}$ percent rate of increase in growth, and, at the same time, we would stimulate the domestic economy by giving additional tax cuts to taxpayers whether they are individuals or businesses. That is the way to get more people in the United States to spend more money of their own, to increase consumer expenditures, and to give more money to business so they can expand and modernize and provide more jobs. And in that way we can balance the Federal budget in 3 years and increase the strength of our economy in America.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Thank you all very much. It is good to see you.

NOTE: The exchange began at 9:03 a.m. at the Dress Regional Airport.

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Remarks and a Question-and-Answer Session at a Public Forum in Evansville, Indiana. April 23, 1976

Thank you very, very much, Governor Otis Bowen, Mayor Lloyd, Reverend Heady, distinguished guests, ladies and gentlemen:

It is a great privilege and a high honor to have the opportunity to be here in Evansville this morning. As you know, I am something of a sports fan. I know what a great basketball team you have from the State of Indiana. I thought

Michigan was good—[*laughter*—and they had a good season. We had one unblemished record—we lost three times to the national champions.

So, let me also recognize some of your city's contributions to some of America's great professional teams. You gave Bob Griese to the Dolphins, Jerry Sloan to the Bullets, and you gave a home to the Tigers' Triplets. I understand their first home game of the season is this evening, and naturally, I wish them an awful lot of luck. But judging from their record last year, I don't think they are going to need very much luck in 1976.

It's been my experience that people with talent and energy create their own good fortune, and Evansville is a very good example of just that. The people of Evansville have known hard times. The people of Evansville have shown that they have the drive and the initiative to overcome their setbacks and to build for a better future. The progress you have made over the years in this great community through the cooperation of your local government, citizens, and business community is a fine example of how Americans can solve their own problems at their own local level.

You are very right and proper to be proud of these accomplishments, and I join many, many others in wishing you the best for the years ahead.

It is also right that the Federal Government helped you in your efforts, because that's exactly what I feel the Federal Government should do—not take responsibility away from the people at the local level, but give them the freedom to use their own energies, their own initiatives, and their own wisdom. And that is what we are going to do in the future as we have in the past under this administration.

A little later this morning we are going to visit the Walkway. I look forward to seeing that great project. Because the Walkway was your idea, it was your project, and city and private funds paid for some 30 percent of its cost, you should be proud of that effort.

But I must say that the Department of Housing and Urban Development also made some funds available so that you could realize your idea, so you could be free to do right here locally what was right for you.

Just recently you have seen another example of local initiative in how the Federal Government helped you to help yourselves. With the cooperation of your city government under the fine leadership of Mayor Russ Lloyd, with the cooperation of unions and management, you have put together a labor-management committee that is going to play a very, very important part in your community's economic future.

I am glad to announce to Mayor Lloyd and Governor Bowen—announce to

them as well as to you—that next month this committee, this Evansville group, will be featured at a nationwide conference in Washington sponsored by the Federal Mediation and Conciliation Service.

At that conference the members of your committee will have a chance to tell the Evansville story to interested groups from all over the Nation. This is a great example of how labor and management, under the guidance and the stimulation of local government, can make a high record of achievement and accomplishment, and I congratulate all of you on this success.

Lately we've heard a lot of talk about what the Federal Government can't do, but as a Congressman for 25 years, as President for over 20 months, I have come to know what the Government can do and what it should do. One thing we should do is to extend general revenue sharing across this country. As we are all aware, the Federal Government is very good at collecting taxes, and at the local level you people on your own are very good at making good decisions. So, I propose that we extend the general revenue sharing program and channel even more of that tax money back to you through your State and local units of government.

Since revenue sharing began in 1972, the city of Evansville has received almost \$10 million in general revenue sharing funds. That money right here locally helped to pay for public services, it helped to improve your city by repaving half of the streets, by upgrading your fire department equipment. Right now those revenue sharing funds are being used to protect you and your families from crime.

Revenue sharing is a matter of common sense. And on another front, my administration has used common sense and taken a very steady course, a very stable approach to our economy and, frankly, we can see the results almost every day. Everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down.

In the first 3 months of 1976 we had our smallest quarterly inflation rate in 4 years, and in those same 3 months, our national product grew at an annual rate of 7½ percent. That shows we are in the middle of a very healthy economic recovery, and that's good news for every American.

The sound and steady policies of this administration have restored confidence in the American people. Our policies have created an economic climate that gives the American people the freedom to work, to earn, and to buy and to invest as they want to.

I also believe very firmly, and have fought for all my life in political history,

in a balanced budget, but I believe very firmly that it should be balanced by cutting the growth of Federal spending and not by increasing your taxes.

As a matter of fact, we cut your Federal taxes last year so you would have more buying power, and I have proposed an additional tax cut as of July 1, 1976, this year, and I hope the Congress does not deny that proposed tax cut to the American people.

We combined those tax proposals with strong efforts to hold down government spending, and I say we have been reasonably successful despite the opposition and the problems in the United States Congress. Since I have been President, some 20 months, I have used my veto to save the taxpayers of this country \$13 billion in Federal spending. They say 13 is an unlucky number, but I would say 13 billion is a pretty lucky number for you and all American taxpayers when it is in your pockets instead of in the Federal Treasury.

We are going to keep down or keep holding down the cost of living by holding down the cost of government. We are going to make certain that your tax dollars work as hard for you as you did for them. And one thing I promise you, we are going to keep slicing away at Federal paperwork and redtape.

My administration has made a good start. I have made a series of concrete, constructive proposals to reform our so-called regulatory commissions, and I have appointed your great Governor, Otis Bowen, to the Federal Paperwork Commission. And I have directed all Federal agencies and all Federal departments to reduce the burden of paperwork they put on the backs of the American people by at least 10 percent by June 30 of this year, and I expect prompt results, and I think we will get it.

I don't believe America's Government should waste its people's time or money, but neither should they be stingy with common sense. America needs a government that protects its people's freedom, that respects their independence, and that responds to their needs. That is the kind of a government I have been working for for the last 20 months as your President. And with your support on May 4 and next November, that is the kind of government we will have for the next 4 years, as well.

Now I will be glad to answer the questions.

QUESTIONS

STATES RIGHTS

[1.] Q. Mr. President, I would like to know, if all Americans are considered

equal, why aren't the laws consistent? My main question is concerning alcohol. Why can you drink in New York State at 18 and 21 in this State?

Now, I know your answer is going to be States rights, but don't you think that we could be a little more consistent in that main law, in that particular law?

THE PRESIDENT. Well, if you——

Q. Especially if you are old enough to die for this country, why can't you drink in this country? And I am a veteran.

THE PRESIDENT. Well, if you really believe in States rights and if you believe that those decisions are the decisions of the people of the individual States, they have the option or the choice to make that decision, and I don't think the Federal Government should repeat the mistake that they tried to do back in, I think, 1918 when they made a comprehensive decision. It was up to the local States to make that decision, now, as well as at any time in the future, and if the people of Indiana want one age limit and the people of Michigan another, I think in all honesty if we really believe in States rights, they ought to have the option to make the choice one way or another.

FEDERAL HOUSING POLICY

[2.] Q. Mr. President, in lieu of the present housing conditions throughout the country, I would like to know if there are any new housing projects planned within your administration for the near future?

THE PRESIDENT. I signed a few months ago a new housing bill that would make a number of rather significant changes in order to stimulate the housing industry. For example, we increased the amount that a Federal agency could guarantee in mortgages and a number of other comparable changes that I think would be helpful in the financing of private residences. In addition, I put in the budget for fiscal year 1977 about, as I recall, 500,000 more Federal units of housing, primarily for the disadvantaged.

The net result is that we expect, according to the present estimates based on the last report in the month before, that there will be built in the United States in this calendar year approximately 1,400,000 to 1,500,000 housing units, which is an increase from something like 1,100,000 or 1,200,000 last year.

But as the economy gets better and as money becomes more available—and the money is available in most loaning institutions—and as there is a trend—slow but, I think, developing trend—for lower interest rates in the private sector, I think not only in the private sector but also in the Government subsidized

housing industry, you are going to see more units than the 1,400,000 and the 1,500,000 that will come as a result of our policies in Washington.

I think the 500,000 housing units that will be in either 235 programs, 236 programs, or section 8 programs—you will see more housing built through Government action than we have had in the past, and also through the improvement of the economy you will have more housing generally without Government action.

PANAMA CANAL NEGOTIATIONS

[3.] Q. Mr. President, I am much concerned about the position of our country concerning the Panama Canal. It is my hope that your Government will deal with this question sincerely and with force, if necessary.

THE PRESIDENT. Let me give you what we are doing and what our aim and objective is. This administration, like the administration of former President Johnson and his successor, is determined to keep the canal operating, maintained, and defended by the United States during the term of any treaty as long as that canal is economically justifiable. Now that, I think, is a responsible position to take.

We are not under any circumstances going to do away with the operational capability, the maintenance capability, and the defense capability during the term of a long term treaty that will last well within the next century.

Now, some people have alleged—and in this case, my Republican opponent has alleged—that in effect we should break off those negotiations which were started 12 years or more ago. I think that is a totally irresponsible position. Let me tell you why.

Those negotiations were started in 1964 or 1965 because there had been a riot where 20 people were killed that were Panamanians, and 4 Americans—serious bloodshed. If we break off those negotiations, as my Republican opponent wants us to do, you will have riots, more bloodshed, and also you will incur the enmity, the antagonism of every one of the 25 Latin and South American countries. They represent 309 million people in this hemisphere. And, in addition, because of the probability or certainty, I would say, of riots and bloodshed, we will have to add to our present U.S. military personnel in the Panama. We have roughly 10,000 American GI's down there now, and if we have bloodshed and threats of sabotage, we will have to send at least another 10 and probably 20,000 more Americans down there.

We can avoid all of that by continuing the negotiations for a responsible settlement, and those who advocate breaking off negotiations are irresponsible.

PUBLIC EMPLOYMENT PROGRAMS

[4.] Q. Mr. President, as the country continues to rebound from the recession and the jobs programs to train and employ the people are in full operation, and with the start of the summer jobs program to aid the Nation's young, who were one of the hardest hit segments of the economy, the question now arises as to what will happen in the years immediately following the Presidential election if, in fact, the private sector does not rebound sufficiently to employ those individuals now being assisted by the Federal programs. This is asked in light of the announcements of the gearing down and the ending of many employment programs by the end of 1977.

THE PRESIDENT. These public service jobs were initiated primarily when we got into our economic troubles in 1975. I recommended at that time, to meet that current emergency, a substantial increase in public service employment, adding to the so-called CETA programs where we have a comprehensive educational and training program plus the summer youth program.

Now that we are coming out of our economic difficulties, it seems to me that we do not need to have the emergency program that we required in 1975. On the other hand, I think we should fully fund the so-called CETA program, which is an education and training program, not necessarily a public service program, because there are always instances where individuals have a temporary loss of a job, they want to be retrained for another kind of employment, and that is what CETA programs seek to do. And we will fund those programs fully, and we will continue to fund, as I have ever since I have been President, the summer youth programs—the cost is around \$450 million each year—and those programs will be utilized to give the youth of America, many of them in our disadvantaged areas in major metropolitan areas—those programs will be continued as they have been in the past.

FUEL ALLOCATION PROGRAMS

[5.] Q. Mr. President, not often does a citizen get a chance to correct the President of the United States, but I might like to take this opportunity to state that we did in Evansville give Jerry Sloan to the Bullets, but they didn't want him, so the Chicago Bulls took him, and they really liked him.

THE PRESIDENT. Well, maybe I was thinking that the Bullets could use him in the playoffs.

Q. Now, sir, for my question: It is my understanding that the mandatory fuel allocation program that is administered by the Federal Energy Administration

will expire June 1 of this year unless it is reinstated. I realize that this is a highly complex problem, but could you tell me what your position on the reinstatement of this mandatory fuel allocation program is, and why?

THE PRESIDENT. I recommended to the Congress within the last month or so the extension of the authorization for the Federal Energy Administration through 1978 or 1979. I think that agency must be in existence to manage the various programs where the Federal Government is trying to conserve energy, where the Federal Government is trying to stimulate new sources of energy, and where the Federal Government is trying to make equitable allocations of what energy we have, principally in oil sources.

I think the programs ought to be continued. I think they ought to be phased down as we solve a problem. That program should not go on ad infinitum, but I do believe that we ought to extend it to 1979, as I recall, so that we can continue to get equitable allocations, carry out our conservation programs, and stimulate new production.

THE NATION'S THIRD CENTURY

[6.] Q. Mr. President, I hope this is a simple question. It might not be. It seems to me that our country has always been most productive when we have had a national purpose or a national direction. What do you think should be our national purpose or direction, and what Federal programs would you propose to see that that direction is seen through?

THE PRESIDENT. I think in the third century of America's history we should put emphasis on the right of the individual. As we look back historically, in the first century of America's history we developed a good kind of government, a stable, constructive kind of government.

In our second century of American history, we became the greatest industrial nation in the history of mankind.

Our third century ought to be emphasizing the right of the individual, so that he is not overburdened by mass government, by mass industry, by mass labor, by mass education. The American citizen today is well enough educated that he ought to have more individual freedom and liberty, and in this next century, instead of passing more laws to overburden it, we ought to start rescinding some of the laws that inhibit and prohibit.

So, I am going to be very restrained in my term about advocating any new laws. I think we ought to undertake the job of trying to get some of them off the statute books.

VISITORS TO THE WHITE HOUSE

[7.] Q. Mr. President, my name is John Berkshire. Our family has just returned from a visit to Washington D.C., where we toured the White House. My little brother wants to know if you ever get to sit in the chairs in the rooms we saw. [*Laughter*]

THE PRESIDENT. I want to be very sure I understand that question. [*Laughter*] Am I going to keep the seat in the chairs where you and your brother saw them?

That is why I didn't want to answer you.

Q. No. [*Laughter*]

THE PRESIDENT. As I understand it, do I ever sit in the chairs that you sat in, is that correct?

Q. No, the ones that we saw behind the ropes. [*Laughter*]

THE PRESIDENT. Well, why don't you come back to Washington, and we will go down there in person.

EQUALITY IN SCHOOL ATHLETIC PROGRAMS

[8.] Q. Mr. President, I would like to know what your feelings are toward the way the Federal Government is doing everything for everybody, and to be very specific, how do you feel about the title IX law that will be introduced into the school systems next year stating that all gym classes will be coed?

THE PRESIDENT. Well, it is my understanding, based on a law passed by the Congress, that the Department of HEW had to issue certain regulations indicating that in all educational programs in primary, secondary, and higher education there had to be equality in the treatment of men and women or boys and girls.

Now, this was mandated by a law passed by the Congress. I believe that some of the interpretations given to those regulations which were mandated have gone too far, and it is my impression that when we get down to the practicality of imposing those regulations which, I insist, were mandated by the Congress, there hopefully will be some readjustments.

The enthusiasm that the Congress had when it passed that legislation I think has dimmed a little bit. Now, these regulations that they mandated are creating, I think, some unworkable circumstances.

Now, I am not saying all of the regulations are bad, but the one that you, for example, indicate, it seems to me, is not beneficial for either boys or girls in physical education classes. I think there ought to be equity in the treatment of facilities and coaches and competition and everything else for women and men

and girls and boys, but I think there are some other areas where a little more common sense might be used.

FEDERAL FUNDING OF THE SPACE SHUTTLE; SOLAR ENERGY

[9.] Q. Mr. President, as you know, Americans in the last 5 years have become very concerned about the availability of clean energy and my question is, as you know, a lot of scientists are now claiming that we do have the technology as an aftermath of the NASA Moon project to develop space stations in which solar panels could be set up and, in turn, supply this Nation with a continued supply of completely clean, free energy. And they came to the conclusion that the key to the project would be massively expanded funding for the space shuttle. What is your position on this?

THE PRESIDENT. I recommended in January of 1975 and again in January of 1976 the full goal on the space shuttle. In 1975 there were a number of applicants because of our economic situation that said we ought to cancel the space shuttle. I said no, it was roughly a third finished at that time, I think it would be unwise, uneconomic to cancel the space shuttle, so I recommended the funding necessary to keep the program going.

I did the same for the next fiscal year, and I am glad to report, I think the first vehicle is going to be made available for public display sometime late in August or early September.

On the overall issue of utilization—or development and utilization of solar energy, I have long been an advocate of that, and in the budget that I recommended to the Congress for the next fiscal year, we have recommended a 37-to 40-percent increase in research and development for solar energy. And this money will be spent by the NASA people, the national aeronautics and space program, by the Energy Research and Development Agency [Administration], by the Dr. Guy Stevers group.

We are putting about \$160 million in solar research for the next fiscal year, which is about what the technical people who advise me think can be usefully and responsibly spent. We're going to go on in it because it has a great potential, and we are going to do all we can to achieve it, whether it is the space program or otherwise.

THE "MAYAGUEZ" INCIDENT; CONCORDE FLIGHTS TO THE UNITED STATES

[10.] Q. Mr. President, first off I would like to congratulate you on your handling of the *Mayaguez* incident. My question is, what is your stand on the Concorde being allowed to land in the United States?

THE PRESIDENT. Well, first let me thank you for your comments concerning the *Mayaguez*. That, I think, should be a good warning to any country that thinks they can challenge us. If any country does any act of that kind, I think the *Mayaguez* incident and the action we took ought to be a fair warning to them to the decisiveness of the Ford administration.

Now, would you repeat the other question?

Q. I was wondering what your stand is on the Concorde being allowed to land in the United States?

THE PRESIDENT. Well, Secretary Coleman, the Secretary of Transportation, had that matter for his consideration, and he has made a recommendation, issued the necessary orders that permits a very limited landing program of the British and French Concorde at Kennedy Airport in New York and Dulles Airport in Washington, D.C., for a 16-month period. So that through those operations—taking off, landing, and flying—we can get specific, technical information that will let us decide whether—on the basis of noise or any interference with the environment, air or noise or otherwise—and at the end of that 16-month trial period there will be an evaluation made by the Secretary of Transportation as to whether those flights should be continued.

But the only way you can find out is to actually undertake them on a limited basis for a limited period of time, and I fully support Secretary Coleman's decision.

U.S. ROLE IN WORLD AFFAIRS

[11.] Q. Mr. President, Mr. Kissinger has been characterized as having a deeply pessimistic view of the long term future of Western democracy and believing that we should cut a deal now before it is too late. I stood in the Rose Garden last week and heard you praise Secretary Kissinger in the most glowing terms. I know you are not a prophet, sir, but I wonder whether you share Mr. Kissinger's long-range views, and if not, how do you evaluate our long term will to survive?

THE PRESIDENT. In the first place, those allegations made that Secretary Kissinger is pessimistic about the long-range prospects of the United States are totally inaccurate. I spend a good period of time every week with the Secretary of State because we have a number of foreign policy matters that come up virtually every day, and so I know precisely how he feels. His feeling is quite the contrary. He feels that with the right kind of leadership and the right kind of programs, the United States and the Western democracies—the free countries of the world—are going to prevail, not lose, and that is the way I feel.

Now, what we are trying to do in a diplomatic way, what we are seeking to achieve through our military capability, is to encourage other people, other nations, to achieve the freedom that in many instances they do not have. And what we are trying to do in an economic way is to bind the Western nations, such as Britain, France, Italy, West Germany, and Japan, and any of our other allies so that we can strengthen our economic policies, so we can work together, so we can convince the people in those countries as well as our own people that a free enterprise system is far better than a Communist-controlled system. And through the meeting that we had in Rambouillet, France, with the heads of states of those countries, we tied together our economic, our monetary, our fiscal policies, and the net result is that the economy in the United States is going up and the economies of most of the Western countries are likewise moving upward.

I only give that as a concerted illustration that if you have the right policies and the right leadership, we can be and should be optimistic about the free world, and that is the way I feel and that is the way Secretary Kissinger feels. I have full faith in the will and the resolve of the American people and our allies. We have met these challenges before; we will in the future.

THE B-1 BOMBER

[12.] Q. Good morning, Mr. President. I would like to congratulate you on your fine performance on NBC Saturday Night. [*Laughter*]

THE PRESIDENT. For a 30-second performance, I appreciate it.

Q. I would like to ask you, I have heard Senator Barry Goldwater's view and a couple other Senators. Do you favor support of the B-1 bomber?

THE PRESIDENT. Do I favor support of the B-1 bomber?

Q. Building it.

THE PRESIDENT. You're darn right I do. That, of course, is the bomber that will replace the 300 to 400 to 500, B-52 bombers which are now anywhere from 20 to 25 years old, and if we are going to keep our strategic air capability strong in the future, we must build the B-1 bomber and we are going to build it.

Thank you all very much.

NOTE: The President spoke at 9:37 a.m. at the Vanderburgh County Auditorium and Convention Center.

In his opening remarks, he referred to Governor

Otis R. Bowen of Indiana, Mayor Russell G. Lloyd of Evansville, and Rev. James Heady, pastor, Trinity United Methodist Church of Evansville.

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**Remarks at a President Ford Committee Reception in
Evansville, Indiana. *April 23, 1976***

FIRST, let me thank your wonderful, wonderful Governor, Doc Bowen, for all the courtesies and support. It is just a great privilege and pleasure to come to the great State of Indiana, to have his support and, Doc, I can't thank you enough.

It is wonderful to come back to Evansville and to see Russ Lloyd here and to have had a very warm reception that we received over at the Civic Center. I enjoyed it; the questions were good—I hope the answers were okay.

But I am principally here to thank all of the volunteers who are here in this part of the great State of Indiana for the tremendous support that you are giving me. I know that under the leadership that we have here in the State—where is Don?¹ There he is. Thanks, Don, for your leadership. But all of the people who are here and that we have met up in Indianapolis are, you know—they just make me feel as though we are going to win, and we are.

Let me give you a few selling points that you might use occasionally in talking to some of those that have not made up their minds yet. Some of you man phones—some of you call from your own residences, some of you talk to your neighbors, some of you talk to others. I think that if we look back over the last 20 months you will find that we have made very substantial headway in meeting the challenges domestically and meeting the problems that we have had internationally.

Let's take a quick look at where we were in August of 1974. First, we were faced with inflation at a rate of anywhere from 12 to 14 percent. Because of sound, constructive, responsible policies, we have reduced that inflation rate so that for the first 4 months of 1976 the rate of inflation is under 3 percent, and that is progress.

Shortly after I became President we were faced with the worst economic problems this country has been faced with in 40 years. Because we have the right policies we have taken the unemployment from almost 9 percent down to 7.5 percent. The trend is in the right direction and we are going to keep it going down, down, down.

The best selling points you have is that in the last 10 to 12 months we have

¹ Donald B. Cox, chairman of the Indiana President Ford Committee.

increased employment by 2,600,000, so that at the present time we have 86,600,000 Americans gainfully employed, the most ever in the history of the United States. Now, we didn't have this success because we loaded up the Federal payroll. We made this progress because we gave the free enterprise system an opportunity to work, and that is where the jobs are.

Now let's turn for a minute to the situation that we face around the world. In the 20 months that I have been President, we have strengthened and solidified our alliance in Western Europe. Our relation with NATO, with Britain, with West Germany, with France, with Italy, with all of the NATO countries is better today than it ever has been, and Western Europe is strong and we are a part of it.

If you turn to the Middle East, because of the fact that both Arabs on the one hand and the Israelis on the other trust us, we have been able to make steady and I think constructive progress toward a permanent, a fair peace in the Middle East, which is an area in the world which has been the most volatile area, most controversial area in the history of mankind. Because the United States, because this administration is trusted by all parties, we are able to make headway in the future as we have in the past.

So, whether you are talking about Western Europe or the Middle East, or if you are talking about the Pacific, the United States and Japan have the closest possible working relationship, and we have friends and allies that believe in us in the Pacific.

Now let's turn to our adversaries. We have slowly but constructively worked on our relations with the People's Republic of China, 800 million strong. We are on course with the People's Republic of China and the meetings that I had there were constructive and were progressive.

Now, our dealings with the Soviet Union—we have made headway in resolving some of the problems. We solved the problems of West Berlin. We have, for the first time in a negotiated agreement in the handling of nuclear problems, gotten an agreement where we can have onsite inspection in the Soviet Union, and that's progress.

That is a breakthrough that a number of Presidents before me have tried, and we are the first to accomplish it. It is an indication that they know that we mean business and that it is in our mutual interest to achieve something of that kind.

So, what I say to you is simply that in 20 months we have made headway at home, we have made great progress abroad, and this administration in the next

4 years will continue to give us the kind of prosperity that we want and the kind of peace that we need.

Thank you very, very much.

NOTE: The President spoke at 11:20 a.m. in the Florida Room at the Executive Inn.

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Exchange With Reporters on Arrival at Dobbins Air Force Base, Georgia. *April 23, 1976*

GOOD AFTERNOON, ladies and gentlemen.

It is great to be in Atlanta. We had a wonderful day and a half in Indiana, we are looking forward to an opportunity of being here in Georgia today.

So, with those observations I will be glad to answer any questions.

REPORTER. Welcome—welcome back.

THE PRESIDENT. My ninth time in recent years.

Q. Mr. President, recently in Texas you played the role of underdog and you said even more recently should you lose Texas it could affect your chances in neighboring States, one of those was Georgia, I believe. Do you feel like you are the underdog in Georgia?

THE PRESIDENT. I suspect that we are at the present time but just as in Texas—we started in Texas as an underdog, we are making very substantial headway. I think we might surprise them in Texas. We are here in Georgia because we want to expose our views and myself to the people of Georgia. And I think if we have the kind of response here that we have had in Texas, we might surprise them here in Georgia.

Q. Mr. President, do you think you will win in Georgia?

THE PRESIDENT. Well, I am always hopeful, and we are going to try very hard.

Q. Mr. President, is there any possibility that you might ask Vice President Rockefeller to run again with you?

THE PRESIDENT. I can only go by his statement to me 3 or 4 months ago when he said he did not want to be considered for the Office of Vice President.

Q. There is a local political feud brewing here, President Ford, about your visit—whether it is purely political or whether you are here as President. Some of your Democratic opponents from DeKalb County, where you will speak tonight, will not attend that because they say you are coming as a candidate and not as a President.

THE PRESIDENT. Well, I very deeply regret their attitude. I think I might learn

something from some of their questions and they might learn something from some of my answers. I am very sorry that they have taken that attitude.

Q. Mr. President, there are more and more rumors going around that John Connally might be the Vice-Presidential nominee. Do you have any further comment on that?

THE PRESIDENT. Well, I have said before that John Connally is a man who has had an outstanding record in public life as Secretary of the Treasury, Secretary of the Navy, Governor of Texas three times. He certainly is qualified for any office in the United States, from the Presidency on down.

Q. Is that a possible yes for the Vice-Presidency?

THE PRESIDENT. I am simply saying that he is certainly a contender for that outstanding office in my administration.

Q. Mr. President, you are being pressured to put more pressure on Congress to get the Federal Election Commission back in business. Will you do that?

THE PRESIDENT. You know, the Congress has had, since January of this year when the Supreme Court made the decision—that is almost 90 days ago—to make a very simple amendment to make the law which Congress passed in 1974 constitutional, but they have higgled and they have haggled and they have delayed and they have had two vacations. They are on vacation now. I think Congress ought to come back, finish its job, and send the bill down to me. Some of the critics and some of the Presidential candidates who are complaining about me not doing something are Members of Congress—they ought to be back on the job and finish the job so I can see the legislation.

Q. Mr. President, would you care to comment on the discussions, if you will, going on between Vice President Rockefeller and Senator Henry Jackson?

THE PRESIDENT. Well, as I understand it—in the first place I have never seen the actual comments—I said yesterday or the day before that I assume, from my 25-plus years in the Congress, that all employees that work for the Congress—for Democrats or Republicans, House or Senate—are not members of the Communist Party. And that is all I can say, that is an assumption that I believe to be true.

Very nice to see you all. See you tonight.

Q. Mr. President, do you think Lockheed has been the scapegoat for every company that has dealt in international payments for years doing much the same thing?

THE PRESIDENT. What I have done to meet the problem, not just Lockheed but all companies that have reported that they made payments overseas, is to appoint a Cabinet-level committee headed by the Secretary of Commerce, Mr. Elliot

Richardson, and I have asked that group to look into what the problem is not only in the United States but what the problem is overseas.

Q. And not just Lockheed?

THE PRESIDENT. It is a comprehensive investigation involving all countries that have businesses overseas and have been involved in the past in so-called payments. It is not going to be pointed at Lockheed, it is pointed at the whole problem.

REPORTER. Thank you.

THE PRESIDENT. Thank you all very, very much.

NOTE: The exchange began at 3:58 p.m.

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Remarks at the Annual Service of the Atlanta Chapter of the Military Order of World Wars. April 23, 1976

Thank you very much, Admiral Howell, Dr. Harrington, Colonel Williams, Gold Star Mothers, ladies and gentlemen:

We observe today an occasion of somber reflection and grateful praise. As we honor the mothers of men who gave their lives in the service of their country, we have cause once again to honor the brave men themselves.

Although our hearts are still mourning the loss of loved ones, we can draw inspiration from the knowledge that their supreme sacrifice was made in the defense of our Nation's noblest ideals.

The fact that we stand here today as citizens of the strongest, freest, and greatest nation on Earth is powerful testimony to the valor and courage with which these men gave their last full measure of devotion to America.

The pages of history record the names of many brave men who led armies into battle and to victory, and this Nation rightly reveres them. But there are others—other names known only to those assembled here—whose contributions were just as great, whose devotion was just as steadfast, whose sacrifice for the cause of freedom was just as complete. They all share the same glory, won many times over many foes in many different uniforms. Their common enemy was always tyranny, and thanks to them that enemy has never cast its shadow over our land.

It is by the deeds of these gallant men—by heralded acts of bravery and by unknown acts of quiet courage—that freedom flourishes in America today. It is their legacy that government “of the people, by the people and for the people” still thrives in America in 1976.

Our memorial today is a recognition of their deeds and a celebration of their legacy and it is a prayer for the divine care of men who pressed the battle of freedom and made freedom secure. And it is a pledge to them of America's unfailing resolve to preserve, enhance, and cherish the freedom that they made secure for us. America has no intention of abdicating its leadership to any nation committed to the destruction of liberty.

We know that the freedoms we have defended so often are being challenged today. We know that our strength, our vigilance, and our national resolve are the foundations of hope for peace and stability in the world.

When I took the solemn oath of office as your President 20 months ago, I pledged myself and our Nation to an uninterrupted and sincere search for peace. I said then, and I say again today, that America will remain strong and united, but our strength will be dedicated to the safety of the entire family of man as well as to our own precious freedom.

America has seen too much of war in the 20th century, too much of suffering and dying on bloodstained fields of battle. We cherish the peace that America enjoys today, the peace that finds no American boys in combat anywhere on the face of the globe.

Peace today has a very special significance because war today has a very special terror. The devastation and death left in the wake of a thermonuclear war would be so great that the world as we know it would simply cease to exist. Therefore, we must do our very best to keep the peace, not the peace of weakness and concession but the peace secured by strength and courage and dedication. That is the role that destiny calls us to play.

Our country is very special in the eyes of the world. America shines today as the brightest beacon of hope for millions who live in the darkness of tyranny and oppression.

The men whose mothers we honor today have held that beacon high, have carried it into battle and made the darkness retreat. Now, they have passed the beacon to us. In the quality of our lives, in the steadfastness of our purpose, we must show ourselves worthy of the sacrifice that they made on our behalf.

May we, like them, devote ourselves to peace and liberty and, like them, march always in the ranks of honor.

Thank you very much.

NOTE: The President spoke at 4:45 p.m. at the Peachtree Presbyterian Church. In his opening remarks, he referred to Rear Adm. Hugh H. Powell, Jr., member, and Col. Pembroke W. Williams, commandant, Atlanta chapter, Military Order of World Wars, and Dr. W. Frank Harrington, pastor, Peach-

tree Presbyterian Church.

The American Gold Star Mothers is a national organization comprised of mothers who lost a son or daughter while serving in the Armed Forces of the United States.

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Remarks at a President Ford Committee Reception in Atlanta. April 23, 1976

John, Matt, and all of you wonderful Republicans here in this meeting in the Atlanta area:

Let me first express my deep appreciation and gratitude for John Savage's endorsement. I know it will be very meaningful, and I promise to you, John, as I promise to everybody here, I won't let you down.

Now, let me thank all of you. This is the biggest Georgia Republican gathering I have seen in the many, many times I have been in Georgia on behalf of the Republican Party, so I think it augers well that come May 4 we may surprise some of those people who think they are going to win. I think we have a darn good chance of winning.

I want to thank some of the people that I know personally, that I served with in the Congress, for the help and assistance and their support. First, I want to thank Fletcher Thompson, who I understand has gone the length and the breadth of Georgia speaking out on my behalf. And if Fletcher is here, I want you to know, Fletch, thank you very, very much.

I want to thank another great Georgian for the help and assistance, the invaluable aid that he gave me during some tough times in this campaign, a very dear friend of mine, a very outstanding American, Bo Callaway. I think it is very unfair the kind of treatment he is getting from a committee in the United States Senate. And, doggone it, they ought to do better in the handling of a matter of this kind to give Bo a fair shake.

Now, let me, if I might, give you some ideas and suggestions that might be helpful in the 11 days between now and May 4. I know many of you will be at the telephone phone banks, many of you will be talking to your friends, many of you will be discussing who ought to be the Republican nominee in the fall of 1976.

Let me respectfully give you some suggestions that I know have been helpful in the areas of this country where we have been successful and in those areas of the country where we are going to be more successful.

First, when I became President in August of 1974 we were experiencing some very serious economic problems. The rate of inflation was 12 to 14 percent. We were on the brink—literally on the brink—of the worst economic recession in this country in 40 years.

Well, my firm, constructive, I think, steady policies that put the emphasis on trying to get the private sector to meet the challenge rather than loading up the Federal payroll, we have come out of this in good shape.

Where do we stand? Where do we stand? Well, instead of 12 to 14 percent inflation, the rate of inflation for the first 4 months of 1976 was 2.9 percent. That is great success, and we are going to keep working on it, and we will do even better.

Last May, the unemployment was at almost 9 percent, but since last May, at the depth of the recession, we have added 2,600,000 more people gainfully employed in this country. As of March, it was reported that we had 86,700,000 people gainfully employed in this country, the greatest number in the history of the United States. So, we have met the challenge in the area of employment, and we are going to do better and better, and we are going to continue to lower the unemployment rate as we will with the kind of policies that we have.

We're on the road to the most sustained, best economic times that this country has had. And I think this administration can claim a great deal of credit for it.

And what do we want to achieve as we move ahead? We want to achieve a balanced budget. But you know how we're going to get it? We're going to cut the rate of growth of Federal spending from 11 percent to 5½ or 5 percent. And, at the same time, in order to stimulate the private sector of the economy I hope the Congress will approve the additional \$10 billion tax reduction that I recommended this year. And I hope and trust that they will follow on with the kind of a tax program that I will recommend the next year. And all of those programs of holding the rate of growth of Federal spending and stimulating the private sector will give us a balanced budget in 3 years and the healthiest, vigorous economy.

And you know, another thing that I think we can talk about—and I think it is dear to the hearts of the people here in Georgia—I firmly believe that we ought to get the Federal Government, to the extent that we possibly can, off the backs and out of the pockets of the people of this country. This administration believes in one very basic truth, and let me state it: A government big enough to give you everything you want is a government big enough to take from you everything you have.

Now, let me add another feature of what I think is a good selling point in Georgia, a good selling point in all 50 States. We want an even balance in labor-management so that without government interference we can have those labor-management problems solved with labor and management doing it without government interference. That is why I vetoed the common situs picketing bill.

And I might also say, talking about vetoes, since I have been President I have vetoed 48 measures. That is an alltime record. Thirty-nine of those vetoes have been sustained even by this Congress. [*Laughter*] The net result is we have saved \$13 billion in Federal expenditures, and that is not a bad record. But let me add a postscript. If they send down any more of this terrible legislation, we will veto it and veto it and veto it again.

Now, let's talk for a minute about how we stand in our efforts to make sure that we maintain the peace. You know, I am very proud that I am the first incumbent President who is seeking election who can stand before the American people and say that our country is at peace—the first one in 20 years. So, we must be doing something right in our relations with our allies and with our adversaries.

All I am saying is the United States of America is number one. We have unsurpassed military capability, we are the greatest industrial nation in the history of the world, our agriculture outproduces anybody, we are ahead scientifically and technologically, and, most importantly, this country has a deep moral and spiritual and religious belief that gives us the inspiration to challenge anybody and to keep ahead of everybody, and that is where America is.

And now let me thank Matt, John, and all of you. We have got great leadership here in Georgia and we have got great people like you to help in the job. I think we have good programs, both domestically and internationally, and if we are able to do, as I think we have done in the last 20 months, in the next 4 years, we can say at the end of the next 4 years even stronger and even better than we say it today—every one of us is proud to be an American and proud of America.

Thank you very much.

NOTE: The President spoke at 5:38 p.m. in the Olym-pium II and III Rooms at the Radisson Inn. In his opening remarks, he referred to John Savage, former

Georgia Congressman, and Matthew Patton, chair-man of the Georgia President Ford Committee.

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Remarks at the Freedom Foundation Dinner in Atlanta. *April 23, 1976*

Thank you very, very much, Colonel Collins, Mrs. Fain, distinguished guests, ladies and gentlemen:

It's a surprise for you, but it is a pleasure for me to honor all of the honorees

who are here tonight and to participate in a very small way in the presentation of the Freedom Foundation's awards.

The very high standards of responsible citizenship which the Freedom Foundation promotes is well represented by the 16 award winners we honor here tonight. I commend each of the award winners for having earned this very prestigious recognition and commendation.

As Americans, we all have a very solemn opportunity and duty to preserve, to protect, and to defend the liberties which are our American birthright. This involves more than mighty armies, mighty navies, mighty air forces—although our military strength must never be in doubt.

The preservation of freedom also requires of us an active participation in the great adventure of self-government. As we enter this third century of America's independence, it is my hope that each and every one of us will renew our strong commitment to the system of government laid out with great care and paid for at a very great cost by our forebears.

May we also quicken our interest in the work of that government and in the progress of our people and take a much more personal stake in the future of the nation that each and every one of us loves. This is the example so forcefully set by the recipients of this award here tonight.

I join you in congratulating each and every one of them, and I have enjoyed immensely this short but wonderful opportunity to participate in this wonderful occasion. I wish all of you the very best, and I commend you and congratulate you for the contribution that you have made to a better America.

Thank you very, very kindly.

NOTE: The President spoke at 7:37 p.m. in the Grand Ballroom at the Marriott Perimeter Center. In his opening remarks, he referred to Col. Quincy Collins,

USAF (ret.), and Mrs. Barbara Fain, president of the Atlanta chapter of the Freedom Foundation.

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Remarks and a Question-and-Answer Session at a Public Forum in Atlanta. *April 23, 1976*

Thank you very, very much, Mr. Huff, Mr. Snoderly, distinguished guests, students, faculty, and friends of the Peachtree High School:

It is a great honor and a very high privilege for me to have the opportunity to be back in Georgia. And I obviously appreciate very, very much the wonderful and warm and cordial welcome here at Peachtree High School, the home of the red, white, and blue Fighting Patriots.

You know, this is the ninth time I have been in Georgia in a very few years but, I must say, tonight proves to me that I like it better and better every time. Thank you. And I am honestly looking forward to the question and answer session tonight. But let me at the outset make a few brief remarks.

I spent most of today in Atlanta, and I notice there is a pretty big Ford plant there on I-75. Now, as much as I favor a strong and prosperous American automobile economy, I have come to tell you in Georgia there is absolutely no reason to trade in your Ford in 1976.

When we look back over the past 20 months that I have had the honor and privilege to serve as your President, I think we can see a great deal of progress has been made in areas that are of greatest importance to all of you.

The worst economic recession of America in the last 40 years has been replaced by a strong and very stable economic recovery. Today, everything that is supposed to be going up is going up and everything that is supposed to be going down is going down.

Today, more Americans are gainfully employed than ever before in the history of this great country; 86,700,000 Americans were working in March of 1976, and that is over 2½ million more than were on the job 1 year ago today.

At the same time, unemployment is going down—from a high of nearly 9 percent last May to 7.5 percent today. That is still not good enough, but that is progress, and there is more where that came from. The trend is in the right direction, and we won't be satisfied in this country until everybody who wants a job will have a job.

Real earnings for the American worker are up dramatically from over a year ago; total retail sales are up more than 17 percent from last year; auto sales are up 43 percent; furniture and appliances up more than 17 percent; food sales up more than 9 percent; general merchandise sales up 13 percent.

The index of consumer confidence, which is the real test, is double what it was a year ago. The Commerce Department announced earlier this week that the gross national product rose at an annual rate of 7½ percent in the first quarter of 1976. The Consumer Price Index released just 2 days ago showed that the annual rate of inflation in the first 3 months of 1976 was only 2.9 percent—the lowest quarterly inflation rate since the summer of 1972.

It is easy to get lost in a sea of statistics when we talk about the economy, but all of these statistics point to one simple, undeniable fact: We are on the road to a new and lasting prosperity in 1976, and we're not about to be sidetracked now by an irresponsible Congress.

Finally, in the last 20 months there seems so much progress in making gov-

ernment more responsive and much more responsible. The dangers of too much government are clearer today than they have ever been before. We can see those dangers most clearly in the tremendous cost of big government and in the widespread governmental intrusions in our everyday life.

As part of my effort to hold down the cost of government, I have vetoed 48 bills sent to me by the Congress in the last 20 months and there may be more. Thirty-nine of those vetoes have been sustained and those 39 vetoes will save you, the taxpayers of this country, some \$13 billion.

We make progress also toward reducing government redtape; the community development program, I think, is a good example. On my orders Federal regulations for the community development program [Community Development Act of 1974]—which became law in the fall of 1974—these regulations have been simplified and reduced from 2,600 pages to just 25 pages. Instead of filing out five applications totaling over 1,400 pages, a community now has to complete only one 50-page application.

While process and approval of these applications used to average more than 2 years—it is hard to believe but that is the fact—we have reduced that time now to 2 months. When I say I want to get the government off your back and out of your hair, it is more than just talk, it is progress. We have already started. We have a lot more to do to improve the situation, but let me assure you we are on the job, and we are going to get it done.

I propose, for example, one way I think we can handle the relationship between the Federal Government, the State and the local units of government better is the extension of the general revenue sharing program which I like to think as sort of a hometown do-it-yourself project. The Federal Government collects the money, distributes it to your State and local units of government, but your own local officials decide how best to spend that money without any bureaucrat in Washington telling you the answer, and they have done here at the local level a very good job without a lot of bureaucratic interference from the Nation's Capital.

In fact, and this is an amazing statistic, the total cost of Washington's administration of this program amounts to only one-eighth of 1 penny of every dollar spent in the revenue sharing program. That's pretty low administrative cost by any standard, and that is the kind of a sound, low-cost management program we all take pride in.

Under the revenue sharing extension bill that I proposed to the Congress last year—but this far the Congress has been dilatory in getting anything done—and they better move because the present law expires December 31—but under the

proposed extension that I recommended DeKalb County would receive \$32,600,000 and all of Georgia would receive more than \$830 million over the next 5¾ years.

In proposing a new lease on life for revenue sharing and in reducing the red-tape of Federal programs, I am acting on a belief I have held as long as I have been in public office. That belief can be summed up in a single sentence: A government big enough to give us everything we want is a government big enough to take from us everything we have. What we need in America is not a government that promises more and more all the time; what we need and what my administration has sought and tried to achieve is a government that promises only what we can deliver and delivers everything that we promise.

We all know that it was not our government that made America great as a nation—the government's role was to guarantee the people's freedom and build a nation for themselves. With that freedom, we have built the greatest nation in the history of the world.

America today is unsurpassed in military capability. We have the greatest industrial capacity in the history of mankind. Our farmers outproduce everyone in history. We lead the world in education, science and technology, and we have the greatest moral, spiritual, and religious resources of any modern nation.

I see more progress in store for America. As we enter our third century of independence I see America regaining confidence in itself and in its destiny. I see a nation living in peace and in freedom, in more than 200 million Americans living in dignity, security, and prosperity.

This is my vision of America for the future. I think it is the vision of all Americans, and I would love to work with all of you and 200 million other Americans for the next 4 years to get a good headstart on that vision.

Thank you very much. And, now, let's get the questions underway.

QUESTIONS

PANAMA CANAL NEGOTIATIONS

[1.] Q. Mr. President, here is my question: Your contender, Ronald Reagan, has been hammering away at your foreign policy, stating in effect that the United States has been pushed around long enough and that if he were elected President he would initiate a get-tough policy. As an example, his comments on the Panama Canal Zone. My question, Mr. Ford, is: In your opinion, how

would such a policy as, you know, expressed by Mr. Reagan affect the realization of our national goal for the world in peace?

THE PRESIDENT. First, let me state categorically, the United States has not been pushed around. That is good rhetoric, but it ain't true.

Now, let's talk about the Panama Canal because my opponent has made some very strong and very categorical statements in that regard. The only way you can interpret those statements are that the present negotiations between the Government of the United States and the Government of Panama should be ended.

This administration and President Johnson's administration and his successor's administration and my administration believe that negotiations are the responsible action to take. And those negotiations were undertaken as a result of a serious riot that took place in Panama in 1964 where 24 people were killed—20 Panamanians and 4 Americans. It was decided at that time that we ought to sit down and talk with the Panamanian Government. For what purposes? For the purpose of trying to make sure that we have control over the operation, the maintenance, and the defense of that canal during its economic lifetime. That's what we want, and I think if we are patient and wise and strong, eventually at a proper time we can get such an agreement, which is the responsible thing to do. And any agreement would go on into the next century—it's not going to happen tomorrow or the next day, it is a 40-to-50 or maybe longer year agreement.

Now, let's take what my opponent's arguments are. He says cut off the negotiation. What would that lead to? First, it would lead to probably a resumption of the kind of riots, the bloodshed that took place in 1964 when 24 people were killed, except probably more. It would inevitably antagonize, it inevitably would arouse the ire of 25 South American and Latin American nations that involve 309 million people. That is an awful lot of people to antagonize, and it would undoubtedly lead to more bloodshed, it undoubtedly would require for us to protect that canal instead of having 10,000 U.S. military personnel stationed in Panama in peace, as we do today. You would have to send another 10,000 or another 20,000 American GI's there to protect it. I just don't think that makes much sense, and I think it is completely and totally irresponsible to break off those negotiations.

RELAXATION OF TENSIONS IN THE WORLD

[2.] Q. Mr. President, I was wondering, what is your evaluation of détente thus far?

THE PRESIDENT. D  tente, which I don't use as a word any more—[*laughter*]—but regardless of the word, what we are really interested in is the process, the results.

All right, let's talk about what's been accomplished and let's talk with the newest plus. For a number of years, we have been negotiating in order to have a peaceful result of what we call "peaceful nuclear explosion negotiations" where we conduct nuclear explosion for peaceful purposes and the Soviet Union does likewise.

What we have tried to do is set a threshold of 150,000 kt's so that both sides can develop the peaceful use of nuclear explosions for peaceful purposes. For years and years, as long as I have been in government, we've been trying to get onsite inspection of Soviet nuclear or other military operations. We've been doing this since Ike. I can remember President Eisenhower trying to get onsite inspection.

And in this agreement, which we reached within the last 2 or 3 weeks, we have made a breakthrough. We are going to have onsite inspection of peaceful nuclear explosions in the Soviet Union. I think that's progress under a relaxation policy of relations between the United States and the Soviet Union.

In addition, if you go back a few years, you will find that this process of relaxing negotiations (tensions) has resulted in a historic agreement as to West Berlin where the parties—the Soviet Union, East Germany, West Germany, and others involved—were able to arrange a very far-reaching agreement as far as West Berlin was concerned.

If you look at the situation in the Middle East, because of the process of relaxing tensions between the United States and the Soviet Union we have been able to act in a very constructive way in making slow but sure headway in getting progress toward a permanent and equitable and fair peace in the Middle East.

Most of you, I'm sure, recognize that the Middle East has been historically the most volatile, the most complicated, the most controversial area in the world. In the last 25 years we have had four wars and every one of them has gotten bloodier. But, because we were able to work in the Middle East with the Israelis trusting us and the Arabs trusting us, without the Soviet Union involving itself in undercutting our efforts, we have made slow but sure progress toward that kind of a peace that we have all wanted for a great many years in that part of the world.

Well, I could go on and on because there are a number of things where we have been able to sit down and, in an atmosphere not of confrontation but of relaxation, discuss, in sanity, things that ought to be solved without a war. I

think the détente, if you want to use it, or relaxation of tensions has made a lot of progress, and we've got a lot of successes from it.

SOCIAL SECURITY PROGRAM

[3.] Q. Mr. President, I am from Cedar Grove High School. I've recently become concerned over the high deductions made from paychecks for social security purposes. Now, by the time that I reach retirement age I will have supported the retirement of several generations, but who will be supporting me? Under current plans, won't it logically be bankrupt?

THE PRESIDENT. The social security program, which became law in 1933 or 1934, as I recall, was initially predicated on the basis that it was not to be your total retirement income but as a base or a floor. But in the ensuing years that initial concept that was put forward by President Roosevelt has been forgotten and, in most cases, today your social security benefits in effect are the total retirement income of many, many people.

Now, the net result is that benefits have increased substantially and the consequence is that the Social Security Trust Fund, which today is at a level of approximately \$40 billion or \$41 billion, is gradually being decreased. As a matter of fact, in this 12-month period there will be a deficit between income and outgo of \$3 billion. In the next 12-month period the deficit will be \$3½ billion. In the next 12-month period, the deficit will be \$4 billion. So that \$40 billion or \$41 billion Social Security Trust Fund will be gone in a relatively short period of time.

Now, what should we do about it? There are basically three alternatives: Number one, we can increase the tax on both employer and employee. I think this is the most straightforward, the most honest way to approach it, and I recommended that to the Congress. And what does it amount to? For each employee and employer—for each individual employee it means less than \$49 per year. That's what the extra cost would be to make the Social Security Trust Fund on an equitable and a sound basis.

The second alternative is to not add any additional taxes on the employer and employee but rather we take it out of the general fund of the Federal Treasury. Now, that is an easy thing to do but, of course, if we do that we have to borrow the money in order to put it in the fund to pay the beneficiaries. And I think that also destroys the concept that people, by their deductions are buying something that they would have when they retire. So, I disapprove very strongly of utilizing general treasury funds to supplement the amounts paid by employer to employee.

Now, the third alternative is, for example, you can increase the earning limitation—that's one alternative—or you cannot increase benefits—that is another alternative.

So, the truth is there aren't any good answers. But I think in all honesty—at least I felt—the most forthright, the most candid approach was the one I suggested, and I do not believe that the burden to meet this problem is onerous and unbearable. The other ones, I think, are a sort of a con game, and I don't believe in that kind of operation.

TAX REFORM PROPOSALS

[4.] Q. Mr. President, I would like to know what specific proposals you have in the area of tax reform.

THE PRESIDENT. Tax reform?

Q. Yes, sir.

THE PRESIDENT. The best tax reform that I know is what I proposed in January of 1975 which provided for a \$28 billion tax reduction at the Federal level, 75 percent of it to go to individual taxpayers and 25 percent to go to business. The 75 percent of it to go to individual taxpayers would mean that we would have an opportunity to adjust the tax rates primarily in what we call the middle-income group. They, over the last 10 years, as far as Federal income taxes are concerned, have gotten short shrift. They proportionately have had to pay more compared to others, either those in the more wealthy brackets or those in the more disadvantaged brackets.

People between \$9,000 and \$25,000 in the last 10 years have really been squeezed, and under the tax proposal that I made at that time we would have given a greater percentage of the tax relief to those in that bracket. And one way I recommended was to increase the personal exemption from \$750 per person to \$1,000, and I think that is the right thing to do.

Now, as far as business is concerned, 25 percent of the recommendations came in that category. I believe that if we're going to provide the kind of active economy, if we're going to give the stimulant to the economy, if we are going to provide the incentive to business to provide more jobs, that's what we want. We had to give to business some added incentives, such as the investment tax credit, on a permanent basis. We made some recommendations also that would give to business an opportunity to move into areas of high unemployment more rapidly so that they could get a quicker writeoff or a more rapid amortization.

There were several other specific recommendations as far as business was concerned to give them this incentive. These are the kinds of tax reforms that I

think make sense, and those are the kinds of tax reforms that, in my opinion, the Congress ought to enact.

Q. Would you not agree then with dropping all deductions and just having where you pay just a certain percentage of your income in taxes so everyone pays, say, 8 percent, or something like that, of their income, or are you against that proposal?

THE PRESIDENT. I am categorically against that proposal, and I can tell you very simply why. In the first place, I know from 25 years experience in the Congress that Congress won't pass it. You can argue about it in theory, but let me tell you—President Johnson recommended that approach about 8 or 9 years ago and the approach was you do away with all exemptions, all deductions, you just handle it that way. Let me tell you what happened as a practical matter.

Now, some people say all those things are loopholes, but I think we found out in Congress that what is somebody's loophole is some other person's opposite reaction. So, when Mr. Johnson made this recommendation, every educational institution—colleges, universities—were up in arms because they get a lot of their income from these deductions which are available under our Federal income tax.

Then every person who had a mortgage on their house who was paying interest—and that interest payment is deductible under your Federal income tax—all of the homeowners, and I can't tell you how many millions of those there are, didn't want that taken away from them. So, you can argue in theory that if you could just do away with all exemptions, all of this and all of that and give a flat rate, that maybe that would be the best answer. But I think in each case every one of those present provisions in law were put in there for a good purpose. We did that for people buying a home because we wanted to stimulate the home-building industry. We think—or I think, anyhow—that more people who own homes, the better America will be.

So, on the basis of equity and practicality, I just don't think you are ever going to get to that kind of approach that you are suggesting. On paper—in theory it looks good, but it just won't work.

GENERAL CHAPPIE JAMES

[5.] Q. Mr. President, I am president of the student body, Columbia High School. I would like to know what exactly the situation on the NORAD [North American Air Defense Command] commander and first black four-star Air Force General Chappie James is.

THE PRESIDENT. Well, I know Chappie very well, but I didn't get what you asked about him.

Q. I was reading the Jet Magazine recently, and it mentioned his power to push the button in case of emergency.

THE PRESIDENT. Well, let me say that Lieutenant General Chappie James is one of the outstanding Air Force officers in this country. I was pleased to see that down in Florida just a few days ago, I think, the State legislature passed a resolution commending him. He had grown up on, I think, Pensacola Naval Air Station as the son of a marine officer, a naval officer, and he is the first black lieutenant general in the history of the United States. He is a great man and he earned it by his combat capability, his leadership qualification, and I was pleased to assign him to the highest ranking assignment in the history of any black officer in any of our military services. He was the head of the Military Air Command down in Rantoul, Illinois, I think it is. Chappie James has had a tremendous record and he is not through. He certainly is eligible for greater honors and greater promotions.

PRIMARY ELECTIONS

[6.] Q. Mr. President, I would just like to know what are remaining primaries which you are most concerned about and why? [*Laughter*]

THE PRESIDENT. Well, I am concerned about them all. [*Laughter*] We started being concerned about them in New Hampshire, and we have not stopped being concerned. The next one that comes up, of course, is Texas. I have had my son, Jack, down there and I have been there once. Betty has just been down there 4 days with her CB set, or whatever it is. [*Laughter*] I talked to her last night and she said she had talked to 25 or 50 truck drivers and she said, "Dear, I got the truck drivers' vote for you in Texas." [*Laughter*]

Well, Texas is an important primary, and we take them one at a time. Three or four days later, on May 4, we have Indiana, Georgia, and Alabama. Those, all three, are very important, and I get more optimistic every day.

ENERGY RESOURCES

[7.] Q. Mr. President, I would like to know what will be the position of our country in years when I become an adult in having enough energy resources?

THE PRESIDENT. That is a very important question and I appreciate your asking it because we all know that when the Arab oil embargo took place in 1973 at the time of the Yom Kippur war in the Middle East between Israel and Syria and Israel and Egypt we had an oil embargo. At that time the United

States was importing about 32 percent of its total domestic use of oil, and let me tell you what the facts are today.

Our production in America is going down, and we are importing more and more foreign oil, most of it Arab oil, and today instead of importing 33 percent of the oil we use, we are importing 40 or 41 percent of it, and it's probably going to get worse because the Congress has not acted affirmatively on what I think was a sound energy program that we recommended in January of 1975.

The thrust of the program that I proposed was to increase our conservation measures and to stimulate more domestic production of both oil as well as gas. We have made some progress in conservation, not as much as we should. In 1975 the latest statistics show that we used roughly $2\frac{1}{2}$ to 3 percent less energy than we did in 1974, so that is some progress because heretofore we had been going up at the rate of about 5 percent more energy use every year. But where we have failed is in not getting more production, and the only way you can get more production of domestic oil and gas is to take government regulation off of it. In January of 1975, I said we should deregulate natural gas—Congress has not done it yet. The Senate passed a bill, the House fouled one up, and the net result is they won't pass one in 1976. Two years lost.

In 1975, I recommended that by April 1 of that year we have total deregulation of American oil production. They finally sent me, 9, 11 months later, a marginally acceptable bill, that instead of getting deregulation on April 1, 1975, we have to do it in a series of steps over a 40-month period.

The problem is that we don't seem to realize—or Congress doesn't, I think the American people are smarter than they are—they don't seem to realize that every day and every week and every month we delay in getting the stimulant to more domestic production at home we become increasingly dependent on foreign oil.

Now, over the long run, by 1985, if we do the right things, we can find some alternative sources to our domestic production and to our imported production. We can work hard at making our nuclear energy facilities safer, better protected, and more reliable. And the Federal Government is spending a significant amount of money in research and development to achieve those three results as far as nuclear power is concerned. In the time span between now and 1985, we can do much more research and development on solar energy, geothermal, and improving the efficiency and the clean air aspects of coal.

Let me just give you as an illustration in the fiscal year that we are in now. In the Federal Government, we are spending roughly \$120 million on solar research, an increase from \$80 million or \$90 million in the last fiscal year. But

for the next fiscal year's budget in the Federal Government, I recommended, instead of \$120 million for solar research, \$160 million.

So, we are investing a lot in some of these exotic systems, and I understand here in the Atlanta area you have a high school or a school that is in the process of testing whether you can heat and air cool a building of that size or that magnitude. It is going to take a lot of research and development, but we are spending a lot and private industry is spending a lot.

I am optimistic that by 1985, if we can get by for the next few years without another oil embargo, we will solve the problem of energy and become energy independent in America.

SECRETARY OF STATE KISSINGER; FOREIGN POLICY RECORD

[8.] Q. Mr. President, I am a retired pastor of Central Congregational Church in Atlanta. As one who has been an admirer of your record in leadership, especially in foreign policy, I feel you had very able assistance in that regard from your Secretary of State, Henry Kissinger. My question is, in the event of your reelection, will you do your utmost to keep Dr. Kissinger as Secretary of State?

THE PRESIDENT. Well, let me repeat what I have said but repeat with emphasis. I have told Secretary Kissinger that he can stay as Secretary of State as long as I am President, and let me tell you why. I think on the record our foreign policy has been one of success.

Let me give you a criteria—it is not the only one but it is a very responsible criteria. I am the first President, Democrat or Republican, in the last 20 years who could seek election and say that the country was at peace. And we are at peace because we have the military capability to deter aggression, to maintain the peace, and to protect our national interest. That is the kind of a military program that fits in well with a diplomatic capability to work with our allies on the one hand—and our alliance in Western Europe today is stronger than it's ever been and our relationship with Japan in the Pacific is the best it has ever been.

The net result is of a strong military capability plus a diplomatic capability. The United States foreign policy today is in the best shape it has been in years and years and years, and we should be proud of it.

Q. Mr. President, I think we have time for one more question.

THE PRESIDENT. Let's have two more.

Q. All right, sir.

JACK AND STEVE FORD

[9.] Q. Hi, Mr. President. My name is Bonnie Ruder, and to break the monotony of the questions that have been asked you about détente and Nixon and all this—[*laughter*]
—I would like to ask if you would ask your son, Jack, to take me to the Junior-Senior Prom on May 8.

THE PRESIDENT. Well, I am very proud of him, and I think he is very attractive, but, you know, if I became prejudicial or preferential toward Jack, I have got another son, Steve, and I don't want to get in any family hassle. [*Laughter*]
And Steve is a darn nice-looking kid, too.

THE ECONOMY

[10.] Q. Mr. President, as I understand it, your administration has predicted a 6-percent inflation rate for the next 3 years. Is that correct?

THE PRESIDENT. No, that is not accurate. We predicted when we submitted the January budget for the next fiscal year, and when we put together our economic plan for the next fiscal year we had to make certain forecasts based on the facts as we saw them then and, as I recollect, we estimated that in the next fiscal year the rate of inflation by the end of that fiscal year period would be 6 percent. At the same time, we said that the increase in the gross national product would be 5 to 5½ percent. At the same time, we said that the unemployment rate at the end of that fiscal year, at the end, would be 7 percent.

Well, the economic blue skies have changed, at least my forecast of what those figures are going to be. We have not made any official change, but as I have said several times today, the cost-of-living increases for the first 3 months of 1976 averages out 2.9 percent. So, we are doing an awful lot better right now on the inflation rate than we forecast we would do when we submitted the budget in January.

Now, I am not sure we can sustain a 2.9 percent inflation rate the rest of this calendar year, but that's about half of what we said we would have, and I think we'll be substantially below 6 percent. And also, if we can get reasonable negotiations in the labor-management field, in rubber, in automobiles, in electrical appliances, and in any of the other contract negotiations that are going on, and if we can keep down the rate of Federal spending, I think we will make significantly better progress than 6 percent on the rate of inflation.

Q. Mr. President, when you said reasonable settlements, do you consider the Teamsters settlement reasonable?

THE PRESIDENT. It was marginally so, marginally.

Q. Wasn't that a 33-percent increase?

THE PRESIDENT. I don't think it averages out that much and it certainly does not average out that much if we get the rate of inflation down, because they did get an unlimited escalator. But if the rate of inflation is down at the range we are now talking about, it will be less than 33 percent. So, that is one reason we have got to concentrate on keeping the rate of growth in Federal spending not 11 percent, as it has been for the last 10 years, but cut it to 5 or 5½ percent and, at the same time, do what we possibly can in the area of labor-management negotiations because those are important.

THE PRESIDENT'S DEFENSE POLICY

[11.] Q. Mr. President, I would like to ask you, realizing the way in which you became President under Mr. Nixon, it seems that you might be obliged to carry through some of his policies. If elected in 1976, would you change any of these policies and, specifically, I would like to know in foreign relations.

THE PRESIDENT. Well, the policies that I have had, both domestically and internationally, for the last 20 months, have been my policies. And in the next 4 years—let me just give you an example. Based on my analysis, I decided that when I looked at what Congress had been doing to the military budget for the last 8 or 9 years we could not stand those kind of slashes. They cut anywhere from \$40 billion to \$50 billion in appropriations that had come from Mr. Johnson and Mr. Nixon. I decided we could not tolerate that, so in January of 1975, 4 months after I became President, I submitted to the Congress the largest military budget in the history of the United States. That was my policy, a decision made by me. This year, in January, I added and again submitted the largest military budget in the history of the United States.

I believe that what Congress has done to the budget for the Army, Navy, Air Force, and Marines, if we let it go down as it had been going down it would have been serious. So, it was myself and not my predecessor who decided that we needed more for the Army, the Navy, the Air Force, and Marines 18, 20 months ago. So, those are the policies where I have differed with my predecessor and where I think we are on the right track.

DEFENSE BUDGET

[12.] Q. On defense, you want to spend more on—I know you came out very strongly in its favor—where do you propose to take the money from to spend more on defense, to increase the budget?

THE PRESIDENT. Well, what we did—and that is a very good question—when the budget was put together this year, as I indicated, I thought we had to

increase defense—what we call “obligation authority”—\$14 billion, an increased spending by \$9 billion.

Now, what that meant was, and let me go back one step further, about 10 years ago, when you take all of the expenditures of the Federal Government—all of them, domestic and international—10 years ago the Federal Government was spending on defense about 40 to 41 percent and on domestic programs roughly 30 or 31 percent.

But in the span of 10 years, up until last year, the percentage that went to domestic programs had gone from 30 or 31 percent up to 50 percent of the total Federal expenditure, and the amount spent for the Army, Navy, Air Force, and Marines went from 40 or 41 percent down to 24 percent. That is what was happening, and, the two budgets that I recommended for the military turned that trend. And I have recommended, as far back as January of 1975, the turning of the declining trend of defense expenditures and appropriations to turn it up and to turn the domestic programs down. So, we have made some reductions in a number of domestic programs that I think could be reduced that could not be justified. And what we have tried to do is to make available to the military—this year they got an 11-percent increase in spending, a 6-percent increase in real dollars, which is the biggest increase in defense spending in the last 10 years.

Thank you all very, very much.

[At this point, the President left the gymnasium and entered the cafeteria where he continued the question-and-answer session with the overflow crowd.]

THE PRESIDENT. Well, it has just been great to be in Peachtree High School. I can't remember a more responsive audience, an audience that had better questions, and I am deeply grateful that all of you came and were willing to hear it over a PA system. I regret, of course, that all of you couldn't be where you could have heard and seen at the same time, so I think in all equity maybe we ought to let maybe two or four questions come from all of you.

FORMER PRESIDENT NIXON

[13.] Q. I wonder if you would be willing or able to confirm any of the allegations by Bernstein and Woodward about the condition of your predecessor in the last few weeks of his term in office?

THE PRESIDENT. The question is, can I confirm or deny any of the allegations in the Woodward and Bernstein book concerning my predecessor.

The only things I can confirm or deny are my personal observations and, in

my experiences in those last 2 or 3 weeks, I would categorically deny any of the charges as far as I could tell. And, therefore, I won't expand my comments beyond that, because you asked me what I know and all I know is what I have said—that I did not see any evidence of the things that they allege in that book.

U.S. PARTICIPATION IN THE UNITED NATIONS

[14.] Q. Since the United Nations is controlled mostly by our enemies, don't you think we could withdraw from the United Nations?

THE PRESIDENT. The question is, do I think we should withdraw from the United Nations?

I respectfully disagree with that. In my opinion, you've got 140-some nations in there at the present time. It's a body where if we continue to do what is right and stand up and fight for what is right, such as Pat Moynihan did and as Bill Scranton is doing now, I think we'll get things done the way we want them done.

If we leave it and let them do it, you have no influence, no impact whatsoever, and I have never found you can win many ballgames by sitting on the sidelines. I think you have to get in and play in it, and that is where we ought to be.

NATIONAL HEALTH INSURANCE

[15.] Q. Is there any chance of a national health insurance program that is equitable to everybody being passed?

THE PRESIDENT. The question is, is there any possibility of an equitable, fair national health insurance program being enacted?

I don't believe there is any possibility in 1976. I have for the last 10 years—8 of those while I was a Member of Congress—seen half a dozen to a dozen various national health insurance programs recommended by Senator Kennedy and the American Medical Association, the American Hospital Association—well, you name it. They all had their own plan.

I have seen none that in my judgment we could afford today. I have seen none that I think Congress would enact. I see none that have yet balanced out the equities between the doctor and patient relationship on the one hand, the cost to the Government on the other, and the bureaucracy problems on another. Well, there are a whole lot of other plans.

So, to answer your questions, there has been no unanimity on any program that I have seen that would result in enactment in the foreseeable future.

Now, I would like to add one feature, and this doesn't mean I'm for a particular national health insurance program because I'm not. But I have become

deeply concerned over the last few years for what we call catastrophic illness, and how families, even well-to-do families, can carry the burden and the cost of an extended illness, or a very extended illness. And I have seen some very tragic cases, and I suspect many people in this audience have seen families of friends, of neighbors, of relatives where a tragedy of that kind has taken place.

I have recommended to the Congress that we attack that problem in Medicare and Medicaid, because that would at least relieve the financial burdens of those people who have had a serious catastrophic illness, and there is no way, except in the most minute cases, where a family can carry the costs that we now have in those instances.

Q. Doesn't that go for all persons over the age of 65?

THE PRESIDENT. In the program that I recommended, that is correct.

Q. What about the other people?

THE PRESIDENT. Well, we have to do what we can in steps, and this is the area—and there are about 3 to 4 million of them, so it is not an inconsequential step. But it is a step that I think we could handle in the first step of trying to do something affirmative.

One more. Somebody in the middle here.

ALL-VOLUNTEER MILITARY FORCE

[16.] Q. An all-volunteer service seems to be coming under some question now. Some Members of Congress have recently raised the additional question of whether we should go back to some sort of draft system. Would you comment on that, please?

THE PRESIDENT. I have long been an advocate, prior to and still am, of the all-volunteer military force. I think it has worked well. We are able today to satisfy the needs of the Army, Navy, Air Force, and Marines at a total active duty strength of 2 million by an all-volunteer military force. I believe that in peacetime—and we are at peace—we can have and use, and use effectively, an all-volunteer military force. It cuts down your training base; you get people to stay in longer; you don't have the same turnover. You have to pay them more, and you have to have better fringe benefits, so to speak, but in the long run it is the right way.

Now, if we went up to 4 million on active duty for the Army, Navy, Air Force, and Marines, as one individual in this country is advocating—I guess, because he says the Soviet Union has 4 million in their active duty; therefore, we ought to have 4 million—now I don't agree with that. But if you went from

2 million to 4 million, you would undoubtedly have to have selective service or the draft.

I think we can have a first-class Army, Navy, Air Force, and Marines, and have it under an all-volunteer concept. You will have a more alert, you will have a better trained, you will have a career force, and it will be a better military organization.

Thank you very much.

NOTE: The President spoke at 8:10 p.m. at Peachtree High School. In his opening remarks, he referred to Charles Huff, president of the DeKalb County

Chamber of Commerce, and John M. Snoderly, principal of Peachtree High School.

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Remarks Upon Receiving the Annual Report of the Citizen's Advisory Council on the Status of Women. *April 24, 1976*

THANK YOU very, very much, Senator Saiki. I have had an opportunity to scan this and I certainly want to congratulate you and all of the other ladies for the contributions that have been made in the analysis of the progress that's been made, both educational, economic, as well as legal, in the status of women.

We have got a lot more to do, but the Citizens Advisory Committee has made a great contribution, and I am sure in the months ahead those contributions will be multiplied many, many times.

I regret very much that Mrs. Gutwillig could not be here, but I understand that her husband is ill, and we certainly wish to her, as well as to her husband, a rapid and full recovery.

I did notice one thing that bothered me—not what you all have done, but a problem that you raise—a problem of a variation in the handling of pension problems in the various Federal agencies. This is something that I think must be clarified. I think it's a problem that must be resolved, and I strongly hope that your group will make specific recommendations. I have asked the appropriate agency in the Federal Government to get into it, to study it and to make recommendations to me. It's a matter that must be resolved in order to provide equality and I think equity as far as women are concerned.

I hope and trust that when we get this report next year that it will show increased progress—the kind that has been made over the last 5 years. It's significant, but we have to do better.

I thank all of you for the fine job that you have done.

NOTE: The President spoke at 12:06 p.m. in the Rose Garden at the White House. In his remarks, he referred to Hawaii State Senator Patricia Saiki, member, and Jacqueline G. Gutwillig, chairperson, Citi-

zens' Advisory Council on the Status of Women.

The report is entitled "Women in 1975" (Government Printing Office, 142 pp.).

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Special Message to the Congress Reporting on Budget Deferrals. April 26, 1976

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report revisions to two deferrals previously transmitted.

A deferral for the Department of Health, Education, and Welfare's overseas program of scientific activities has been increased by \$10.7 million. In compliance with a court order, another revenue sharing payment—this one for \$18.7 million—to the city of Chicago has been deferred by the Department of the Treasury.

The details of each revised deferral are contained in the attached reports.

GERALD R. FORD

The White House,
April 26, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of April 29, 1976 (41 FR 18044).

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Remarks at the Annual Meeting of the Chamber of Commerce of the United States. April 26, 1976

Thank you very, very much, Mr. Morrison, Mr. Lesher, distinguished members and guests of the Chamber of Commerce:

It was exactly 1 year ago, less a couple of days, that we last met here in Constitution Hall. There were dire predictions by distinguished labor and political leaders that we were headed pellmell into a deep depression, that unemployment would soon exceed 10 percent, and that only massive Federal action could avert calamity.

Not all of us knew then, but most experts now agree that was the very time we

hit the bottom of the worst recession in 40 years. Between last April and May, things turned around and began getting better instead of worse.

Consider what has happened since our last meeting. The rate of inflation has been cut more than half, and for the last 3 months has held steady at an annual rate of 2.9 percent. The personal, spendable income of American families increased by \$100 billion. Farm income is at an alltime high, and so is production.

The gross national product rose during the first quarter of this year at an annual rate of 7.5 percent. While a year ago it was over \$1.4 trillion, today it is estimated at over \$1.6 trillion. Total retail sales are up more than 17 percent; automobile sales are up 70 percent over a year ago; food sales are up more than 9 percent; general merchandise is up 13 percent.

Today, more Americans are gainfully employed than ever before in the 200 years of our national history, a total of 86,700,000 at latest reckoning. That means 2,600,000 more men and women are working today than when we met a year ago.

Unemployment is down from a national rate of nearly 9 percent in May of 1975, to 7½ percent—still much too high, but moving in the right direction.

In short, instead of meeting in the gloomy depths of a recession, we are assembled this spring in the full surge of economic recovery. Rather than wondering how much worse things will get, today we see every sign confirming and reconfirming that a strong and stable prosperity is returning across this great land.

The index of consumer confidence is double what it was a year ago. New factory orders have risen from \$77 to \$90 billion. Individuals and businesses are spending and investing their money with faith instead of fear. There has been an explosive release of pent-up energy in the private economy.

America's future looks brighter day by day. Everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. And all this has happened because the American people did not panic, because the great American system of free enterprise is working. It is being allowed to work without massive doses of the wrong medicine prescribed by political quick fixes for far, far too many years. It is working even better than I had hoped when I put my faith in the vitality of private initiative at the onset of this recession.

You are here as representatives of millions and millions of Americans who believe in private initiative and the free economic system. You are the people who made it work, and I congratulate you for it. I thank you and salute you for what you have done in the past 12 months.

But I am not here to celebrate with you a battle that has been won; I am here

to tell you the battle has only begun. We have just begun to fight for the full recovery and lasting prosperity that can be ours, with benefits ever more widely shared among the American people, only if we continue on the straight and narrow course which we are now following.

There are many, many hazards for the helmsman on that course. On the one side lies inflation, whose cruel rocks have scuttled many great nations of the past. We have halted the runaway, double-digit inflation that prevailed when I became President 21 months ago.

There are encouraging signs monthly that we are holding inflationary pressures down. But today we face a tougher test—sustaining the economic recovery that has begun and ensuring steady, stable growth without starting another cycle of inflationary boom that leads inevitably to another recessionary bust.

On the other side looms the dread shoals of unemployment. It never did reach the 10 percent, but the unemployment rate is still severe, especially among younger workers, minorities in certain key industries in metropolitan areas.

The statistics are improving, but the corrosive effect of joblessness cannot be comprehended by statistics alone. Unemployment affects people's pride, their hope, their whole attitude toward the free society and the political system whose 200th birthday we celebrate this year.

Clearly, the creation of an economic climate in which every American who wants to work has a good job is—along with the safety and the security of our Nation in a dangerous world—a primary concern of every citizen; certainly, it is mine.

But putting America back to work is not a job for the President alone or for the Congress alone, though sometimes Senators and Congressmen seem to think they can abolish unemployment by passing new laws such as the dangerously deceptive Humphrey-Hawkins bill now pending in the Congress.

This Humphrey-Hawkins bill, for which the Congress has budgeted start-up money, is a classic example of the way the misguided majority in recent Congresses reacts. Anything that seems wrong with the economy the Federal Government must rush in and fix, mainly by spending more and more billions and billions of dollars.

This vast election year boondoggle would decree that unemployment must be no higher than 3 percent at the end of 4 years. Never mind that this recession will long be forgotten by then. If not enough private jobs are available, the Federal Government will be required by law to conjure up make-work jobs.

How much would all of this cost? How long such public payroll jobs would continue? What the added inflationary impact would be really defies rational calculation. Never mind the law would get the Federal Government deeper and deeper and deeper into social and economic planning on a national scale unprecedented in all our history.

Obviously, I am against the Humphrey-Hawkins bill. Instead, I have proposed tax reductions and other tax incentives to create more and better jobs in private enterprise. Some were enacted last year and are obviously working. Others are languishing in the Congress and should be passed promptly to accelerate employment in hard-hit areas.

My budget provides funds to support adequate unemployment insurance and proven job training programs until every American who wants to work can find it. The difference between my approach and that of the Congress couldn't be more clearcut, and I am delighted, I am glad to join the issue with them.

Putting America back to work is a challenge for all of us who really believe in the free economic system of private enterprise that has developed over 200 years in the free political environment of this country.

Preventing a resurgence of inflation as recovery proceeds and our economy expands is also a challenge for each and every one of us. To succeed demands nothing less than a reversal of the political trends of recent decades which have brought continuous growth of Federal spending, higher deficits, more borrowing, and an ever-increasing economic role for the Government at the expense of the private economy.

This is perhaps the decisive issue of our Bicentennial Year, and this issue is being very clearly drawn on Capitol Hill even as our economic recovery continues.

The best place to examine this issue now, before it becomes wildly exaggerated in election year oratory, is in the Federal budgets for fiscal year 1977, which begins next October 1, as proposed by the President and by the Congress.

This year, for the first time, there is not one Federal budget recommendation, but two—mine, as President, and the congressional budget as adopted by the House and by the Senate. The Senate has set its tentative target figures, and the House is scheduled to act on it this week. Since the two budget committees' recommendations differ very slightly, I will refer to the completed Senate version.

As businessmen and businesswomen you know something about the budgetary process. You know that a budget is sort of a real world substitute for a crystal

ball, a careful compilation of current decisions and best estimates that determines the way we want to go in the future for this country.

Using dollar figures, it fixes priorities in every area of public policy. These budgets are far more realistic and revealing than political party platforms ever were. My budget and the budget this Congress is about to adopt set forth in stark contrast the differences between the way I want to go and the way they want to go.

In providing funds for new military weapons and overall national security needs, an area of the Federal budget, that Congress has systematically short-changed by \$50 billion over the past decade, the preliminary congressional figures are substantially the same as the record \$114 billion defense budget I recommended in January.

On this point, for the past 3 months I have worked with the Congress and on the Congress, and I am glad they are finally getting the word. The American people want the finest Army, Navy, Air Force, and Marines that money can buy, and they don't want our unsurpassed power for peace to become a political football this year.

I'm encouraged by the Congress' reflection on this concern, but there are plenty of other differences between Congress' budget and mine. They want to spend \$413 billion next year. I propose \$396 billion, saving \$17 billion in unneeded Federal expenditures. Also, their budget authorizes over the long term, \$455 billion in new spending; mine would hold this commitment to \$433 billion, again saving \$22 billion.

Congress hopes to increase Federal 1977 revenues by \$2 billion, but won't say how. I want to cut Federal income taxes on July 1 by another \$10 billion. Congress wants to increase the fiscal 1977 deficit by \$7.2 billion over my budget figure, bringing the national debt to over \$725 billion. My budget would cut the rate of growth of Federal spending in half, looking toward a balanced budget in fiscal year 1977 (1979).

Simply stated, the budget proposed by the Congress is another blueprint for Federal spending, more and more of it, bigger Federal programs, higher taxes, and going deeper and deeper into debt. My budget is a balanced plan to cut in half the growth rate of Federal spending, which has run about \$50 billion annually in recent years, to further reduce taxes, and to start reducing the role of the Federal Government in everybody's life.

If my plan is followed, we can have a balanced Federal budget and further tax reductions by fiscal year 1979. If the Congress has its way, there is every reason to expect that our present recovery will be followed by a new round of

inflation and then another recession with higher unemployment, in the same old roller coaster pattern of the postwar years.

Last October, I warned all Americans that we were at a crossroads in our history, that we must decide whether to continue on the path toward bigger government, higher taxes, and higher inflation, or choose a new direction—halting the growth of government, restoring prosperity, and allowing individuals a greater and greater voice in their own future. My State of the Union and Budget Messages in January provided the details of the new direction that I proposed.

Now, in its budget process, the Congress has also come to the crossroad and it looks like Congress will deliberately decide to stick to the old road, a road that leads inevitably to ruin.

I supported the idea of a congressional budget process in the Congress, and I welcome it as President. This year, each Member of the House and Senate and all committees are compelled to consider the Federal budget as a whole and to apportion expenditures in some relation to expected revenues and tolerable deficits. This is the way Presidents and taxpayers have always had to consider their budgets.

The new law that requires Congress to impose fiscal limits on itself, while it is authorizing and appropriating money certainly should produce a greater measure of responsibility than the time-honored rule of tax and tax, spend and spend, elect and elect. At least I hope it will.

I welcome the contrasting approaches so clearly revealed in the two budget proposals—Congress' and mine. The upcoming battle of the budget is a crucial showdown and, with the support of the American people, I mean to fight it out if it takes all summer and more and more vetoes.

So far, I have vetoed 48 bills sent to me by this Congress and 39 of my vetoes have been sustained which, incidentally, has saved the American taxpayers some \$13 billion. Let me say, there are plenty of more vetoes where those came from.

But more important, my position is plain and my budget proposals are precise. The way to sustain economic growth is to encourage our free, private economy to expand, to modernize, to produce more goods at lower prices. The way to create more jobs and reach full employment is through the private enterprises, where five out of six jobs are found. These are real, rewarding, permanent jobs with a purpose and with a future.

Furthermore, the position of the majority in the Congress is plain and their budget priorities are precise. They believe that more direct Federal interven-

tion in our economic recovery is required to keep it going. They believe higher Federal spending on a host of social programs will stimulate a more rapid recovery and that the Government should provide jobs for everybody if private employers don't do it fast enough.

Somehow, the congressional majority still believes, if their budget can be our guide, that continued massive Federal deficits and borrowings need not be inflationary. Perhaps now that the cost of living has stopped skyrocketing, what they are really telling us is that just a little more inflation is good for you. Well, you know and I know they are dead wrong.

These economic theories have been wrong for years; they are wrong now, and we are about to prove how wrong they are. Every economic indicator says we are on the right course. I don't intend to be sidetracked now. But we Americans are practical people. We are interested in results.

The American people won't conclude the Congress is wrong in its economic approach just because I say it is or you say it is. The American people want more and better jobs, with paychecks that are worth as much next week as they were last week. Two hundred and fifteen million Americans want unemployment to come down and inflation to stay down.

Congress says the answer is another quick fix like the Humphrey-Hawkins approach. You and I know that won't work.

I will do my part, but the answer is up to you. You are the real jobmakers. I call upon you and millions like you who believe in the free enterprise system to go home and put more and more and more Americans back to work. I call upon you and millions of other Americans to demand that Congress help control inflation by cutting Federal spending and returning more tax dollars to the people who earned them.

I challenge the businessmen and businesswomen of America and all the productive people of this great country to roll up your sleeves and show the world that our great free enterprise system is still hale and hearty in this Bicentennial Year and for the future. If we fail now, we may never get another chance.

Thank you very much.

NOTE: The President spoke at 10:23 a.m. at Constitution Hall. In his opening remarks, he referred to Clinton Morrison, chairman of the executive commit-

tee, and Richard L. Leshner, president, Chamber of Commerce of the United States.

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Remarks at a Briefing for Women in Top-Level Government Positions. *April 26, 1976*

IT'S NICE to see you all this morning. I just came from giving a speech over at the U.S. Chamber of Commerce. I like the intimate kind of meetings rather than the big, massive audience like we had over there. It gives me a chance to speak without any notes and to not have to read a text. So, let me just say a few words in general without the benefit of any text or written comments.

First, I want to congratulate each and every one of you for having achieved an outstanding position in our Federal Government. I am very, very pleased as I look around the room to see the number as well as the quality.

I was noticing the other day that this administration has 14 percent of the top jobs filled by women, which I am told is an alltime high as far as administrations are concerned. So, it wasn't done other than on the basis of quality, and I congratulate each and every one of you for having earned that opportunity to serve your Government and to serve our people.

I was meeting last week with the Citizens' Advisory Committee [Council] on the Status of Women. I always have a little trouble getting that series of words together. But anyhow I read their report, which does indicate that we have made substantial progress. But I think on the other hand, it likewise points out that we've got a great deal more area of or target of opportunity.

There have been substantial increases among women serving in elective office, appointive office in the executive, the legislative and the judicial branch, but we have a long way to go. And I pledge to you that I will continue what we have tried to do, which is to appoint, to nominate more and more women, because the performance that you have all given to this Government certainly deserves that others should be following in your footsteps.

I look with great pride that we've got Carla Hills in the Cabinet and Betty Murphy in the NLRB and Anne Armstrong¹ and a number of others in the Diplomatic Corps and a number of you, as I see, in the military and other civilian capacities.

You are doing an outstanding job, and by the fact that you are, it gives us good reason to see that opportunities for others are multiplied. What is really does, I think, is open the door, the door that was hard to open in the first instance.

¹ Secretary of Housing and Urban Development, Chairman of the National Labor Relations Board, and U.S. Ambassador to the United Kingdom, respectively.

It opens a door that, in effect, invites other talented people like yourselves to move in and help us in the many tough and difficult jobs that we have both here at home as well as abroad.

You have shown us that it can be done. The door is open for literally hundreds and hundreds of others to follow. And I am sure, as we move ahead, we will do this in the way that it should be done, which means more and more jobs for those like you.

Congratulations, thank you, and the very best to you.

NOTE: The President spoke at 10:52 a.m. in the State Dining Room at the White House to a group of women who were attending a briefing by administration officials.

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Remarks Upon Signing the Drug Abuse Message.

April 27, 1976

FOR NEARLY a year, I have been devoting increasing attention to a problem which strikes at the very heart of our national well-being—drug abuse. I have initiated and then endorsed a major study of this issue. I have met with foreign heads of state, Members of Congress, and members of my Cabinet to express my deep concern and the need for action, and I have publicly spoken about this as one of the most serious and tragic problems our country faces.

Today I am sending to the Congress a special message on drug abuse which outlines, in very frank terms, the severity of this problem and which proposes definitive steps which must be taken to meet the challenge posed by the worsening drug situation.

I am requesting the Congress to enact specific legislation to improve our ability to put the traffickers who sell drugs into prison. I am also calling for a renewed commitment to a program that balances the law enforcement effort with the provisions of humane and effective treatment for drug users.

Finally, since our ability to control the supply of illegal drugs in this country depends to a very large degree on the interest and the capability of foreign governments in controlling drugs which originate in or move through their territory, I renew this Government's commitment to providing support for foreign allies in this fight.

With the combined efforts of the executive branch, the Congress, State and local government, and the private sector, we can control drug abuse.

Now that the problem is worsening, we must not shrink from this challenge

but rather redouble our efforts at all levels to provide the leadership and resources to reverse the trend.

At this time I will sign the two messages, to the House as well as to the Senate.

NOTE: The President spoke at 10:15 a.m. at a ceremony in the Oval Office at the White House.

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Special Message to the Congress on Drug Abuse.

April 27, 1976

To the Congress of the United States:

I address this message to the Congress on a matter which strikes at the very heart of our national well-being—drug abuse.

The cost of drug abuse to this Nation is staggering. More than 5,000 Americans die each year from the improper use of drugs. Law enforcement officials estimate that as much as one half of all “street crime”—robberies, muggings, burglaries—are committed by drug addicts to support their expensive and debilitating habits. In simple dollar terms, drug abuse costs us up to \$17 billion a year.

But these statistics—ominous as they are—reflect only a part of the tragic toll which drug abuse exacts. For every young person who dies of a drug overdose, there are thousands who do not die but who are merely going through the motions of living. They sit in classrooms without learning. They grow increasingly isolated from family and friends. At a time when they should be preparing for the future, they are “copping out” on the present.

The problem, moreover, is not limited to youth or to the disadvantaged. It extends to citizens of all ages and all walks of life—from the housewife to the college professor. The cumulative effect is to diminish the quality and vitality of our community life; to weaken the fabric of our Nation.

When this problem exploded into the national consciousness in the late 1960’s, the response of the Federal Government was swift and vigorous. Federal spending on a comprehensive program to control drug abuse grew from less than \$100 million in 1969 to over three-quarters of a billion in 1974; specialized agencies like the Drug Enforcement Administration and the National Institute on Drug Abuse were created; and international diplomatic efforts to mobilize the assistance of foreign governments in a world-wide attack on drug trafficking were intensified.

With the help of State and local governments, community groups and our international allies in the battle against narcotics, we were able to make im-

pressive progress in combatting the drug menace. So much so that by mid-1973 many were convinced that we had "turned the corner" on the drug abuse problem.

Unfortunately, while we had won an important victory, we had not won the war on drugs. By 1975, it was clear that drug use was increasing, that the gains of prior years were being lost, that in human terms, narcotics had become a national tragedy. Today, drug abuse constitutes a clear and present threat to the health and future of our Nation.

The time has come to launch a new and more aggressive campaign to reverse the trend of increasing drug abuse in America. And this time we must be prepared to stick with the task for as long as necessary.

Because of my deep concern about this problem and my personal commitment to do something about it, last year I directed the Domestic Council to undertake a thorough review and assessment of the adequacy of the Federal drug program. That review, which culminated in the publication of the *White Paper on Drug Abuse*, has helped tremendously to refocus and revitalize the Federal effort. We have made substantial progress in implementing the many sound recommendations contained in the White Paper, but more needs to be done.

And more will be done. The first need for stronger action is against the criminal drug trafficker. These merchants of death, who profit from the misery and suffering of others, deserve the full measure of national revulsion. They should be the principal focus of our law enforcement activities—at the Federal, State and local level. In this regard, I am pleased to note that arrests by Federal law enforcement officers of major drug traffickers are up substantially over previous years. However, the progress we have made in improving our ability to *apprehend* these traffickers will be lost unless major changes are made in the way our criminal justice system deals with drug traffickers *after arrest*.

Justice Department statistics show that one out of every four persons convicted of trafficking in heroin received no prison sentence at all. One out of every three received a sentence of less than three years. And since convicted traffickers are eligible for parole upon the completion of one-third of their sentence, even those who received longer sentences rarely served more than a few years.

I believe this is wrong. It is wrong for the criminals who profit by selling drugs, it is wrong for the victims of drugs, and it is wrong for our system of justice. Laws which permit traffickers to go free to prey again on society should be changed. These criminals must know with certainty that, if convicted, they

will go to jail for a substantial period of time. Only then will the risk of apprehension be a deterrent rather than just another cost of doing business.

Accordingly, I will submit to the Congress this week legislation which will require mandatory minimum prison sentences for persons convicted of trafficking in heroin and similar narcotic drugs. Sentences under this legislation would be at least three years for a first offense and at least six years for subsequent offenses or for selling to a minor.

I want to emphasize that the purpose of this proposal is not to impose vindictive punishment but to protect society from those who prey upon it and to deter others who might be tempted to sell drugs. Considering the terrible human toll that drug addiction takes and the extent to which it contributes to more and more crime, it is a matter of high priority that Congress make our laws more effective in curbing drug traffic.

Another serious problem with current Federal law is that even the most notorious drug traffickers are usually released on bail soon after arrest. The bail is often small and the profits from drug trafficking are large, so raising and then forfeiting the bail is just another cost of doing business. A 1974 Justice Department study shows that 48 percent—nearly one out of two—of a sample of individuals arrested for trafficking in narcotics were implicated in post-arrest drug trafficking while out on bail. Other studies show that approximately one-fourth of all bail-jumpers in drug cases are aliens who were caught smuggling drugs into the country. These offenders simply flee to their homelands upon posting bail. There, they serve as walking advertisements for international traffickers attempting to recruit other couriers.

This, too, is wrong. Therefore, in addition to asking Congress to establish mandatory minimum sentences, I shall submit to Congress legislation that would enable judges to deny bail if a defendant arrested for trafficking heroin or dangerous drugs is found (1) to have previously been convicted of a drug felony; (2) to be presently free on parole; (3) to be a non-resident alien; (4) to have been arrested in possession of a false passport; or (5) to be a fugitive or previously convicted of having been a fugitive.

Next, the Federal government must act to take the easy profits out of drug selling.

We know that tremendous amounts of money are illegally taken out of the country each day, either to purchase drugs or to transfer profits made by selling drugs to safe and secret bank accounts abroad. To prevent this money from being smuggled out of the country, I will ask Congress to grant to the U.S. Customs Service the authority to search persons suspected of smuggling money out of the

country as Customs now has the authority to search for contraband entering the country.

I shall ask Congress to pass legislation requiring the forfeiture of cash or other personal property found in the possession of a narcotics violator—where it is determined that it was used or was intended for use in connection with an illegal drug transaction.

I shall ask Congress to change provisions of the law which allow the seizure of vehicles, boats and aircraft used to smuggle drugs. At present, these may be seized by administrative action only if the value of the property is less than \$2,500; otherwise action by a Federal judge is necessary.

This \$2,500 limitation is out of date and must be changed. Therefore, I shall ask Congress to raise to \$10,000 the ceiling for administrative forfeitures. This will not only make law enforcement against traffickers more swift and more effective but it will also help to relieve court congestion.

I shall ask Congress to tighten the provisions of the law relating to small privately owned boats reporting to Customs after their arrival. At present, the masters of these vessels have 24 hours to report their arrival to Customs—and that is ample time to unload contraband. I shall ask Congress to pass legislation requiring such vessels to report to Customs immediately upon their arrival.

I call on Congress also to ratify an existing treaty for the international control of synthetic drugs.

Over the past fifty years the major nations of the world have worked out treaty arrangements for the international control of drugs with a natural base, such as opiates and cocaine. But no similar arrangements exist for the control of synthetic drugs—such as barbiturates, amphetamines and tranquilizers; and the abuse of these synthetic drugs is a growing problem which is now almost as serious as the abuse of heroin in the United States.

Five years ago the United States played a major role in the preparation of the 1971 Convention on Psychotropic Substances, a treaty to deal with international traffic in synthetic drugs. But the Senate has not yet ratified this treaty, and Congress has not yet passed the enabling legislation.

The delay in U.S. ratification of the Convention has been an embarrassment to us. Moreover, it has made it extremely difficult for us to urge other countries to tighten controls on natural-based narcotic substances, when we appear unwilling to extend international controls to amphetamines, barbiturates and other psychotropic drugs which are produced here in the United States.

So far, I have emphasized the need for additional legislation and Congressional action.

But there are Executive actions which I can take and I am today doing so.

The Federal program to control drug abuse is as diverse as any in government, involving some seven Cabinet departments and seventeen agencies. It is vitally important that the efforts of these departments and agencies be integrated into an effective overall program but that responsibility for specific program management rest with the appropriate departments and agencies.

Accordingly, I am today establishing two new Cabinet committees—one for drug law enforcement and the other for drug abuse prevention, treatment and rehabilitation.

The Cabinet Committee for Drug Law Enforcement will consist of the Attorney General as chairman and the Secretaries of the Treasury and Transportation. The Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation will consist of the Secretary of Health, Education, and Welfare as chairman, the Secretary of Defense, the Secretary of Labor and the Administrator of the Veterans Administration. I charge the Attorney General and the Secretary of HEW, as chairmen of these committees, with responsibility for oversight and coordination at all Federal activities within their respective areas.

In carrying out his responsibilities as Chairman of the new Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation, the Secretary of HEW should give particular attention to developing expanded vocational rehabilitation opportunities for drug addicts. Experience has shown that treatment alone is not enough. Unless something is done to alter the fundamental conditions which led the individual to seek escape through drug use, a relapse is likely. A job, with the dignity and self-esteem it brings, is essential to help the individual re-enter the mainstream of American life. Further, the Secretary of HEW and the Attorney General will work together to develop plans for improving the coordination between the drug abuse treatment system and the criminal justice system.

I am directing the Secretary of the Treasury to work with the Commissioner of the Internal Revenue, in consultation with the Attorney General and the Administrator of the Drug Abuse Enforcement Administration, to develop a tax enforcement program aimed at high-level drug traffickers. We know that many of the biggest drug dealers do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote effective enforcement of the tax laws against these individuals who are currently violating these laws with impunity.

No matter how hard we fight the problem of drug abuse at home, we cannot make really significant progress without the continued cooperation of foreign

governments. This is because most dangerous narcotics are produced in foreign countries. Thus, our capability to deal with supplies of drugs available in the United States depends largely on the interest and capability of foreign governments in controlling the production and shipment of illicit drugs.

Many countries still see drug abuse as primarily an American problem and are unaware of the extent to which the problem is truly global in scope. Poorer nations find it difficult to justify the allocation of scarce resources to deal with drug abuse in the face of many other pressing needs. Also, some opium producing countries lack effective control over, or access to, growing areas within their boundaries and, thus, their efforts in drug control programs are made more difficult.

Still, we have been reasonably successful in enlisting the cooperation of foreign governments. We must now intensify diplomatic efforts at all levels in order to encourage the greatest possible commitment from other governments to this international problem. We must continue to provide technical and equipment assistance through cooperative enforcement efforts with U.S. agents stationed overseas, all aimed at strengthening drug control organizations within foreign countries. And we must continue to participate in building institutions and a system of international treaties which can provide a legal framework for an international response to this international problem.

I have spoken personally to Presidents Echeverria of Mexico and Lopez-Michelsen of Colombia and with Prime Minister Demirel of Turkey in an effort to strengthen cooperation among all nations involved in the fight against illicit drug traffic. I intend to continue to urge foreign leaders to increase their efforts in this area. Attorney General Levi has recently discussed drug control problems with the Attorney General of Mexico and Secretary of State Kissinger has discussed narcotic control efforts with senior officials in Latin America on his recent trip there. I have asked both of them, as well as our Ambassador to the United Nations, William Scranton, to continue to expand these important discussions.

The reactions of the governments which we have approached have been positive—there is a genuine and healthy air of mutual concern and cooperation between our countries and I am confident that our joint efforts will bring about a real reduction in drug trafficking into the United States.

One recent example of the new awareness and commitment of foreign governments to this struggle deserves special mention. President Echeverria has written to inform me of his intention to set up a cabinet level commission to coordinate all law enforcement and drug treatment programs within Mexico and to

suggest that his commission might periodically exchange information and ideas with a counterpart here. This proposal, which was the result of discussions between President Echeverria and concerned Members of the United States Congress, stands as a clear signal that the Mexican government recognizes the need to build a coordinated response to the problem of drug abuse. I believe the periodic exchange of views on this matter between our two nations would be helpful. Accordingly, I am assigning responsibility for liaison with the Mexican Commission to the Cabinet Committee on International Narcotic Control and I am directing the Secretary of State, as Chairman of the CCINC to immediately form an executive committee to meet with its Mexican counterpart to discuss ways in which our government can collaborate more effectively. We shall of course consult with concerned Members of Congress as these efforts are carried on.

Drug abuse is a national problem. Our national well-being is at stake. The Federal Government—the Congress, the Executive Branch and the Judicial Branch—State and local governments, and the private sector must work together in a new and far more aggressive attack against drugs.

I pledge that the Federal Government will maintain the high priority which it has given this problem. We will strengthen our law enforcement efforts and improve our treatment and rehabilitation programs. With Congress' help, we will close loopholes in our laws which permit traffickers to prey on our young; and we shall expect the courts to do their part.

All of this will be of little use, however, unless the American people rally and fight the scourge of drug abuse within their own communities and their own families. We cannot provide all the answers to young people in search of themselves, but we can provide a loving and a caring home; we can provide good counsel; and we can provide good communities in which to live. We can show through our own example that life in the United States is still very meaningful and very satisfying and very worthwhile.

Americans have always stood united and strong against all enemies. Drug abuse is an enemy we can control but there must be a personal and a national dedication and commitment to the goal.

If we try, we can be successful in the long run. I am convinced we can—and that we will.

GERALD R. FORD

The White House,
April 27, 1976.

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Remarks Upon Presenting the President's Trophy to the Handicapped American of the Year. April 27, 1976

LET ME say how pleased I am to have an opportunity to participate in making this award to Bill Kiser of Winston-Salem, North Carolina, who has been picked as the Handicapped American of the Year.

Bill, we congratulate you. I have looked over your record, and it is a record that any American would be very, very proud of. For a person to have achieved the great success that you have in the field of the news media—you have your own column, you have your own radio setup—this is a great achievement, and all of us are very, very proud of you.

But I think as we look over your record and see the problems that you had from literally birth to the present time, it just is an inspiration to each and every one of us. I know that we have made a great many strides in this country in providing incentives, in providing programs for the handicapped, but it is my impression that Bill Kiser would have made it on his own, regardless. And I think that's what is exemplified in your character, in your tremendous effort, so you just deserve this award. And it is an award that should be an inspiration for all others who are handicapped to do as well as you have done and to set the example that you have set not only for this generation but for those to come.

I congratulate you. I am looking forward to reading your book and, in the meantime, we are very, very proud of you.

I will give this on behalf of me, as President, to Governor Holshouser, and he will see to it that it is properly returned to you so you can have it among your many collections of rewards and achievements.

MR. KISER. Thank you.

GOVERNOR HOLSHOUSER. Mr. President, on behalf of those of us who are here from North Carolina, this is a very special moment. You and I, by the nature of our offices, have a lot of ceremonial kind of occasions, and yet this is one that comes very close to the heart. Watching a man who has a brilliant mind and at the same time whose body is giving him some problems, and watching the achievements that he has made has simply been remarkable.

I am very proud and honored that he has asked me to respond for him today in this regard.

[At this point, Gov. James E. Holshouser, Jr., of North Carolina, read Mr. Kiser's response as follows:]

"Mr. President, thank you so very much for inviting me and my friends here today. You will readily see that I could have accomplished nothing without the help and support of countless individuals and organizations. Claude Myer, John Dalrymple, and the North Carolina Division of Vocational Rehabilitation have not only aided in every way they could but have coordinated the efforts of others. The Federal-State Vocational Rehabilitation Program is working. Mrs. Ruth Ann Thompson, my administrative assistant, deserves a lion's share of the credit.

As a token of my deep appreciation, I would like to share a copy of my book with you. Should you have a chance to read it, you will understand better what this award means to me.

In order to prevent my excommunication, please accept greetings from my church, Knollwood Baptist, in Winston-Salem, with which I believe you are familiar.

Gratefully, Bill Kiser."

NOTE: The President spoke at 12:10 p.m. in the Rose Garden at the White House.

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Statement Urging Congressional Action on Legislation To Reconstitute the Federal Election Commission.

April 27, 1976

ON OCTOBER 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974, which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law."

On February 16, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do. Instead, Congress has already spent over 70 days in its attempt to amend the existing law in many unnecessary areas.

Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective election commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the congressional inaction.

A congressional conference committee is still working on the details of the Federal Election Commission legislation. This legislation could have a major impact on how Presidential elections are conducted in this country. This is not a subject that any President can treat lightly, and I will not commit myself to sign or veto until the Congress completes definitive action on the bill.

There is no question that the congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving toward simple reconstitution suggested by the Supreme Court and proposed by me in February.

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Remarks on Arrival at Bossier City, Louisiana.

April 27, 1976

Thank you very, very much, Joe Waggonner, Governor Edwards, Congressman John Breaux, General Hoban, Mayor Cathy, Mayor Allen, Mr. Shanley, all of these wonderful young people here, distinguished guests, ladies and gentlemen:

Let me say at the outset that I am just delighted to be here and to participate in the 28th annual Holiday of Dixie Festival, and I am obviously very proud and very honored to be the first President of the United States to speak in the Shreveport-Bossier area. And I express my deepest appreciation for your wonderful, wonderful welcome.

I was very, very happy to be able to accept the invitation of Congressman Joe Waggonner to be with you during this festival. Joe is a very old and very dear friend of mine, a former colleague of mine, in the House of Representatives.

And over the years that we were associated with one another, I highly respected his advice, his assistance, which has been invaluable to me while I was in the Congress, as well as in the White House.

Joe, I thank you for this friendship, as well as this assistance.

And may I say to your great Governor, I likewise appreciate his friendship and his help and assistance and he has been helpful not only as your Governor but when we served together in the House of Representatives.

And to John Breaux, who I've known for a shorter period of time, I say to all of you he's in the mold of the fine congressional delegation that you have representing you from the great State of Louisiana.

As I look from way down there to way down there, I can't express adequately or sufficiently well the gratitude and appreciation that I have for all of you coming here, the younger people, the older people, just all of you. It is nice to get out of Washington once in a while and see the American people like this.

Barksdale Air Force Base stands as a shining example of national security at its very best and as a tall, tall monument to the cooperative efforts of the citizens of this area and of the military. As the home of the Strategic Air Command's 8th Air Force, Barksdale serves as one of the cornerstones of our defense system.

And I'm very proud of the people in this area who have helped to make this base one of the very finest in the Nation. And I congratulate not only the military but the civilians who live and work here and make this a vital part of our national security system. All of us, whether civilians or the military, have a vitally important part to play in keeping America strong, America free, America secure, and America at peace.

The motto of the Strategic Air Command will serve as well for all of us: "Peace is our profession." As President, I am committed, deeply committed, to keeping America sufficiently strong to carry out three essential objectives:

First, we must be ready and able to protect our own vital security interests, 24 hours a day, 365 days a year.

Second, we must be ready, we must be able to deter aggression.

Thirdly, we must be ready, we must be able to keep the peace and maintain our precious freedom.

As Congressman Joe Waggoner, as former Congressman Ed Edwards, and as John Breaux knows, my own knowledge, my own concern, and my own record in supporting a strong national defense does not go back merely a few days, a few weeks, or even a few months, but all the way back to January of 1949 when I first went to the Congress of the United States.

For 25 years in the Congress I stood for, I spoke for, and I voted for a strong national defense capability. For 14 years, as my former colleagues in the Congress well know, I served on the House Subcommittee on Appropriations for the Department of Defense, which each year examined in great detail every single defense program, policy and then provided the appropriations for the Army, the Navy, the Air Force, the Marines, and always, in those years, I came down strongly on the side of strength for our military capability, and I am very proud of that record.

During the years before I became Vice President, as minority leader of the House of Representatives I fought openly and hard year after year for maximum military strength. In the last 2 years, as your President, in support of your own superb achievements here at Barksdale, I have recommended to the Congress to approve the two largest defense budgets in the history of the United States. And I pledge to you today that as long as I hold this honored Office I intend to see to it that the United States will never become second to anybody, period.

Unfortunately, the United States Congress has not shared that goal in recent years. A majority in the Congress have slashed defense expenditures by \$50 billion over the last 10 years, despite my efforts, Joe Waggonner's efforts, Ed Edwards' efforts, and the fine efforts of many others.

No one knows better than you—those of you in uniform and those who serve here in a civilian capacity and those of you who live in this community—the need for strength and modernization in the field of strategic warfare and strategic weapons. That is why we are now completing the final testing of the world's most modern and capable strategic bomber—the B-1. That is why I have proposed replacing our older tactical aircraft with newer and more capable aircraft, including a new air combat fighter. That is why I have proposed increasing the purchase of air-to-air, air-to-ground missiles and why we intend to follow through on the plans for a new attack helicopter.

There are other essential weapons systems in the works as well, in the Army, in the Navy, in the Marines, not as a provocation for war but as our best insurance for peace.

As a major world power, we in America have an obligation to maintain peace and security both here and abroad. We cannot hope to meet that obligation through irresponsible actions or rash behavior. Our strength will be meaningful only if it is matched with our resolve—our resolve to keep the peace, our resolve to preserve and defend our precious freedom.

We cannot shrink from the responsibilities which our position in the world has thrust upon us. Our role is too important, too crucial to be shirked or ignored.

I know that all of you here particularly understand that role and that each of you is willing and able to keep America playing that vital role.

Beyond our unsurpassed military capability, we also have the greatest industrial capacity in the history of mankind. Our farmers outproduce the farmers of any other nation or of any other period in world history. We lead the world in education, science, and technology. But, even more importantly, we have the greatest moral, spiritual resources in any modern nation. And as we enter our third century of independence let us build on those great strengths and leave a heritage, a heritage of progress and peace so, so great that future generations can make the same commitment that we make today.

That commitment can be simply stated, each and every one of us can say with conviction and dedication: We are proud of America, and we are proud to be Americans.

Thank you very, very much.

NOTE: The President spoke at 2:50 p.m. at Barksdale Air Force Base. In his opening remarks, he referred to Governor Edwin W. Edwards of Louisiana, Lt. Gen. Richard M. Hoban, commander of the 8th Air

Force Division, Mayors James L. Cathy of Bossier City and L. Calhoun Allen, Jr., of Shreveport; and Gilbert R. Shanley, Jr., president of the Holiday in Dixie festival.

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Exchange With Reporters in Bossier City, Louisiana.

April 27, 1976

GOOD AFTERNOON.

REPORTER. Mr. President, I understand that today the Senate passed a bill that would mandate the Federal takeover of Louisiana's grain activities.

THE PRESIDENT. Grain?

Q. Yes.

My understanding is, you in the past have said you might veto such legislation. What is your position on it today?

THE PRESIDENT. Well, it's my understanding that the Senate, either yesterday or today, passed what is called the Clark grain inspection bill. It would totally federalize the grain inspection service not only at the ports but in the inland. I have indicated that I would veto that legislation.

I strongly favor an improvement and a change in our grain inspection service. And we submitted a bill to the Congress, we submitted one to the House of Representatives, the committee on agriculture, and that bill has been changed somewhat by the House committee.

We will endorse the House committee bill and hopefully in conference with the Senate they can modify the Senate version so it would be acceptable and it would coincide with the House committee bill and the legislation that I recommended.

Q. Mr. President, there have been conflicting reports it seems to me in recent days and weeks of your attitude toward the Panama Canal. Are you or are you not in favor of the eventual turning over of control of the Canal Zone and the canal to another government?

THE PRESIDENT. I do not intend to turn it over during the usable or economic lifetime of the canal as far as we are concerned. But, let me point out what my opponent has said.

He had said, in effect, that we should stop the negotiating process that was initiated first by President Johnson in 1965 following the riots of 1964, where 24 people were killed, including 4 U.S. servicemen. Those negotiations have gone on with the Government of Panama since 1965. They are now in process at this time and the reason we are doing that is to find an answer so that we can maintain the operation, the maintenance, and the defense of that canal during the term of a treaty so that it will be usable by us and by other parties during its usable economic lifetime.

Now, let me point out what my opponent's position is. He, in effect, says that we should stop negotiating. I think that is irresponsible. Let me tell you why.

In the first place, it would mean that we would have a resumption of the riots and the bloodshed that took place in 1964. It means that we would alienate 309 million people in South America, including 25 governments in South America, who believe that we should make changes in the present setup in the Panama. It means that with more riots and more bloodshed and the likelihood that we would have sabotage and guerilla activity involving the Panama Canal, that we would have to send an additional 10,000 to 20,000 American servicemen down to the Canal Zone to defend the canal.

Now, this can all be avoided by rational, reasonable negotiations aimed at a long-term treaty that would extend into the next century. And this is a constructive process that President Johnson initiated and I am following at the present time, and I can assure you that we will do nothing that will jeopardize the national security of the country.

Q. Mr. President, what's the status of the Federal Energy Agency [Administration]? We understand it is going to end in June and its responsibilities will be scattered.

THE PRESIDENT. I have recommended that the FEA be extended for a period

of 3 years, as I recall. That is necessary for several reasons. One, the Congress passed a 40-month decontrol piece of legislation and some agency has to be in place in the Federal Government to carry out the 40-month decontrol.

Secondly, Congress has passed, at my request, the so-called stockpiling bill of fuel oil, domestic oil, so that if we had another embargo, we would have a reserve that would help us over the hump. Some agency has to carry out the stockpiling of oil so that we have this reserve.

So, I have recommended the extension of the FEA for 3 years so that we could carry out the responsibility of decontrol and the handling of these stockpiles.

Q. Do you think it will continue?

THE PRESIDENT. I think the Congress will pass it, yes.

Q. What does the status of the new Government policy on black Africa have to do with your campaign in the South—Louisiana, Texas, and some of the other States?

THE PRESIDENT. Our policy in Africa is the following:

Number one, this country, on a worldwide basis, has always believed in self-determination for any country, regardless of whether it was Africa or anyplace else. This country, the United States, has always believed in guaranteeing minority rights, and this country has also believed that no country, the United States or any other nation, should dominate a developing continent such as Africa and particularly South Africa.

So, what we are trying to do is to make sure that Africa has an opportunity for self-determination with the protection or guarantee of minority rights and the nondomination by any outside country such as the Soviet Union or the United States or any other country.

Q. Mr. President, on strictly a local issue, Senator Russell Long of Louisiana said last week that he will attempt to use his influence with the White House to block the nomination of U.S. Attorney General John Walters to a U.S. judgeship. What is the situation on this, sir?

THE PRESIDENT. It is my understanding that Mr. Walters' name is now before the Department of Justice for consideration for a potential or possible appointment to the Federal bench. But, that name, nor any other name, has come to me for my approval as far as filling a vacancy in the Western District of Louisiana.

Q. Mr. President, how do you view your chances in Texas on Saturday? Are your views any different than they were a couple of weeks ago, especially in light of reports that Wallace supporters are saying switch over and vote for Reagan?

THE PRESIDENT. I still think we're an underdog in Texas, but we're closing the gap and the 4 days that I am going to spend in Texas I hope will be beneficial. I

believe that it would be helpful for us to get as many as possible of independent voters in Texas, as well as Democrats in Texas, to vote in the Republican primary, and the bigger the vote the better it will be for us.

Q. Do you think you can win?

THE PRESIDENT. I think we've got a chance to win.

Q. Thank you, Mr. President.

DEPUTY PRESS SECRETARY CARLSON. One more.

Q. Mobil Oil Company was reported yesterday as negotiating with the Vietnamese Government to drill for oil off the Vietnamese coast. What is the administration's position on this?

THE PRESIDENT. That is a private business venture as far as Mobil Oil is concerned, and we have no official position on that problem.

Thank you very much.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 4:21 p.m. at the Guest Quarters at Barksdale Air Force Base.

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Remarks and a Question-and-Answer Session With Local Officials in Bossier City, Louisiana. April 27, 1976

Thank you very much, Joe, Governor Ed Edwards, Congressman Breaux, Mayor Allen, Mayor Cathy, General Hoban, distinguished guests, ladies and gentlemen:

It's really a pleasure and a thrill to meet with all of you local officials from throughout the great State of Louisiana, and I appreciate all of you coming here on this occasion.

As all of you know, the framers of the Constitution carefully constructed a system in which authority and responsibility, as well as accountability, were to be shared by different levels of government, as well as by the three branches of the Federal Government. That system of government, established by the constitutional convention two centuries ago, can be effectively reaffirmed by the United States Congress this year and, very frankly, it must be.

For too long, the reins of power in this country have been gathered tighter and tighter into the hands of the Federal Government. For too long, programs of a narrow, categorical aid multiplied at a great and a growing expense to the Federal budget and to the American taxpayer. By 1972 there were well over 1,000 of these various categorical grant programs—each limited in scope, restrictive in

operation, and equipped with its own bureaucracy, chipping steadily away at the Founding Fathers' system of shared responsibility and local control.

With the enactment of the revenue sharing program in 1972, the Congress made an important and, I believe, historic break with this unwise and unhealthy trend.

As the Republican leader of the House of Representatives, I was a staunch supporter of the revenue sharing concept, and I have been proud of it ever since, as I think Joe and John, as well as the Governor.

In the 4 years since the revenue sharing program actually began, State and local governments, as well as States, have proven beyond any doubt whatsoever the merit of local control over local concerns, and I congratulate all of you for the job that you have done.

When you were put in charge, you proved and I knew that you could prove that you know a lot more about what your States, your communities, your cities, your parishes need, much more than the Washington bureaucracy does. That bureaucracy in Washington, D.C., has been held to an absolute minimum in the operation of revenue sharing. Only about one-eighth of 1 penny of every dollar spent for revenue sharing goes to the Washington bureaucracy. That's an amazing statistic, and it's a very encouraging sign that bureaucratic overhead need not rob the taxpayer blind nor bind your cities, your States, your parishes in a maze of redtape in order for a federally funded program to succeed.

Last April, a year ago, I proposed a 5-year, 9-month extension of the general revenue sharing program. This proposal represented an increase of funding of almost \$1 billion, for a total of \$39,850 million with \$861,400,000, of that going to the State of Louisiana—one-third to the State and two-thirds to the local units of government.

A year ago, I urged the Congress to take prompt action on this proposal. Well, just a few weeks ago, as Joe and John know, a House committee—I should say, actually, a subcommittee—finally started marking up a revenue sharing bill. They are still tinkering with it and putting in jeopardy the planning of 50 States and 39,000 local units of government throughout America.

I don't honestly see how you can establish your budget for the calendar year 1977 or the fiscal year that in many cases for communities around the country actually begins on July 1.

Let me assure you of one thing: I intend to keep the pressure on the Congress until they send me a revenue sharing bill that will do at least as good a job as the one that expires December 31.

You will also be interested to know that in the last 20 months we have made

a good deal of progress toward reducing redtape in the Federal Government. The community development bloc grant program is an excellent example. On my orders, Federal regulations for community development have been simplified and reduced from 2,600 pages to just 25 pages. Instead of filling out five applications totaling 1,400 pages, a community now has to complete only one 50-page application. While processing and approval of these applications used to average about 2 years, we have reduced that time to less than 2 months.

When I say I want to get the government off your back and out of your hair, believe me, it's more than just campaign rhetoric. We have already started and we have a lot more improvements planned for the future.

One of my foremost plans for the future is to balance the Federal budget—and by the future, I mean no later than fiscal year 1979.

The budget that I submitted in January for fiscal year 1977 represents what I believe will be a major turning point in the course followed by the Federal Government, as it works for the American people. This budget does not hold out any false promise that the Federal Government will immediately solve every problem or achieve every goal of the American people. Instead, it reflects a commonsense balance between public and private initiatives and between the various levels of Government which I referred to in my State of the Union Message earlier this year.

We have halted spending trends that increasingly threatened our national security and our national economic stability. I am committed to keeping the level of Federal spending within reasonable and affordable limits, but I am also committed to achieving a better and a more bountiful life for all Americans.

My budget calls for a \$396 billion spending ceiling. The Congress, in its budget process, has taken the initial steps to increase the Federal spending limit by at least \$17 billion over what I proposed. But let me assure you that I am strongly committed to the figure that I have submitted to the Congress of \$396 billion.

I have used my veto 48 times in the last 20 months, and in the process Congress has sustained 39 of them. And, the net result is, we have saved the taxpayers \$13 billion.

I believe we have struck a workable, reasonable, and honest balance with the budget that I have proposed. We not only have this spending limit, which cuts back the growth in Federal spending by 50 percent, but also we have recommended that Congress approve an additional tax decrease on July 1 of approximately \$10 billion.

This budget promises only what we know we can deliver, and I can assure

you that we will deliver everything we promise, this year and for the next 5 years.

With these general comments, I will be glad to respond to the questions.

QUESTIONS

HIGHWAY CONSTRUCTION IN LOUISIANA

[1.] Q. Mr. President, let me quickly say that in behalf of public officials we appreciate your position on revenue sharing.

My question concerns the construction of the north-south toll road, a four-lane highway that will link north and south Louisiana. We've been told that your administration favors the construction of this road. We would appreciate hearing your comments on the position that your administration takes and how you feel about it?

THE PRESIDENT. We do favor the construction of that highway. It is my understanding that the highway bill, that is just about to be completed by the Congress, has a provision in that legislation, or prospective legislation, that will permit the initiation or the necessary funding for that particular highway—the north-south highway—and, as I indicated, if that legislation passes and we sign it, which we will, as far as I know, I think you will be on the road with the project which you mentioned.

FEDERAL ENERGY POLICY

[2.] Q. Mr. President, this being a major oil and gas area and with the production of that in this area, we are interested in the future plans for domestic oil and gas. Also, we are interested in whether there have been any ideas given to substitute fuels being used, in the East majorly, for relieving the oil and gas in this area and letting us extend our industry?

THE PRESIDENT. Let me summarize for you the energy program that I recommended to the Congress in January of 1975—14 months ago. At that time, in my State of the Union Message to the Congress, I recommended the decontrol of domestic oil on April 1, 1975, and I recommended the deregulation of natural gas.

Now what has happened from January 15 of 1975 until mid-December of 1975, the Congress pulled and hauled on what to do about domestic oil production, and finally, after almost 12 months, the Congress sent to me a bill that permits me to, on a phased basis, to decontrol domestic oil over a 40-month

period. It wasn't the bill I recommended, but I think there was a consensus among many who come from oil-producing States that this was the best bill we could get, as long as I promised to use every provision in that legislation to achieve eventual decontrol.

The legislation was signed—it was not what I recommended; it wasn't what I wanted—but since it is law, we have already initiated a number of the provisions to get decontrol.

We have recommended, and I think the Congress will approve, the decontrol of residual oil. I believe that within the next month or less the Congress will go along with me in the decontrol of distillate fuel, and some time in the next several months we hope to get the Congress to go along with my recommendation to decontrol gasoline.

At the same time, we have initiated the first step in the decontrol under the 40-month provision. And the first step permits us to recommend to the Congress a 10-percent increase in the price of \$7.66 per barrel.

Now that process is going to be submitted to the Congress just as quickly as we can under the law, and we will take every other step that's permitted under the law to get eventual decontrol.

Now there are recommendations and there are efforts to broaden our energy program as a whole. We have got to mine more coal. Last year we mined roughly 600 million tons of coal in the United States. We have to get up to 1,200 million tons by 1985. We are making some headway in that regard.

I expanded the research and development funds for solar energy, for geothermal energy, for nuclear energy so that we can have a diversified energy program in this country, from oil to gas to coal to nuclear power to solar energy to geothermal, and some of these far out, exotic fuels that they are talking about.

The Congress disappointed me last year but we're going to do everything we can to achieve an incentive for oil and gas producers to explore and to produce.

Q. That is wonderful.

RED RIVER NAVIGATION PROJECT

[3.] Q. Mr. President, this afternoon, as you approach our great city, you saw Red River, but what you did not see on Red River was navigation. This area has worked very, very hard for many years to have navigation on Red River. We would like to see navigation through Shreveport and into Oklahoma; funds have come very slow for this project. I just wonder if you have any funds available that you could help us to attain this goal and to have completion of navigation on Red River soon?

THE PRESIDENT. When I found that I was coming down to Shreveport, I suspected there might be a question on the Red River navigation project. And while we were flying down, Joe Waggonner and John Breaux reminded me of the interest of this community or this area in the Red River navigation project.

It just so happens that in the fiscal year 1977 budget that I submitted to the Congress in January, there is money proposed to provide for the completion of the levee system—if that's the right term—and also for lock and dam number 1—the initiation of construction. If Congress approves that budget recommendation some time in fiscal year 1977, that work can get underway.

FEDERAL AID TO CITIES

[4.] Q. Mr. President, we are all aware of the plight that New York City found itself in a year ago, and we admire your stand on the problem. What would be the Federal policy for other cities, especially larger cities operating in a deficit condition? Should they call on the Treasury?

THE PRESIDENT. Well, I think the problem that New York City developed for itself should be an example to convince public officials in other communities that they should not permit themselves to get into the same bind. Because I was very firm in dealing with the mayor and the Governor of New York, we finally worked out a program that I think, if they carry it out—and they going to carry it out, or else—we can get them by their own bootstraps to straighten out their problem.

We did agree to give them some money on a cash-flow basis because they have peaks where they get money, and they have valleys where they have to spend it, and their revenues don't equal their expenditures. But I can tell you that New York City is on schedule as far as we're concerned.

We got a payment just a few weeks ago of their first payback. They paid us back \$270 million, and they paid us \$5 million in interest. So, Uncle Sam didn't do too badly.

ENERGY CRISIS

[5.] Q. Mr. President, I know that the people have lost confidence in just about all elected officials today, from the President on down to the low office that I have as an elected official. The people that I talk to—and I talk to them every day from all walks of life and most every national convention I have attended—and they don't believe that there is an energy crisis. They think it's like the gasoline stations when they were lined up at the pumps—they're just getting the prices up.

And I wish, if you could see your way fit on a national program—I know this is

one today, I believe your image is the most honest image I know of today—I just wish you could say what your feelings really are, as I believe that there is an acute energy shortage from the conferences I have attended. I would appreciate you making your position clear, as well as maybe putting the other Presidential candidates on the spot, and making them make theirs clear.

THE PRESIDENT. Let me tell you how acute, how serious the energy problem is. Prior to the oil embargo imposed by the Middle East nations in 1973, October of that year, the United States was importing about 31 to 32 percent of all the oil that we consumed in the United States. Today, we are importing over 40 percent of all of the oil that the United States uses domestically and, if my recollection is correct, in 1 week in March, we imported more oil from overseas than we produced domestically in this country for the first time in the history of the United States.

Now, how does that translate into a crisis? It's a crisis now because we're paying about \$12.50 a barrel for overseas oil. We are spending about \$30 billion to \$35 billion in good, hard U.S. dollars to buy oil primarily from the Middle East, and maybe, some from South America. Those are dollars coming out of the United States we should keep here. Instead of sending it overseas, those dollars could be used for American jobs here in the United States. That's the first part of the problem.

The second part of the problem arises if and when—I hope not—we have another oil embargo. If we have another oil embargo where we are dependent on 40 percent of our oil from overseas, it will be much, much worse than the crisis we faced in October, November, December of 1973. So, we not only have a short-term problem of losing American jobs but we also have a long-term potential threat in case we have another oil embargo.

So, what is the answer? As Joe and John and your Governor know, I submitted to the Congress, as I said earlier, a comprehensive energy program. After all the pulling and hauling, we came out with much less than I wanted but at least we got a start on oil.

We got a terrible disappointment in the House of Representatives on natural gas. We lost by what—three votes, Joe or John? About three votes. Just unforgivable, but we're going to keep trying because we can't leave the United States in this kind of a position of jeopardy, and I'm going to do all I can to prevent it.

JUDICIAL NOMINATIONS FOR LOUISIANA

[6.] Q. Mr. President, my question concerns the information, at least the ideas that we have relative to their existing or soon to exist in Louisiana, a vacancy

in the judgeships of one of the districts. We have been given the impression, also, that some of our highly elected officials have expressed possibly a concern for the appointment for a black to fill that position, that pending position. Would you comment on what the situation is relative to this matter?

THE PRESIDENT. It's my recollection that in rather recent months there have been four vacancies—two in the Eastern District and two in the Western District of Louisiana. The Department of Justice recommended to me the names of two individuals for the Eastern District and those names either have been or will shortly be submitted to the Senate for confirmation. I don't recall their names.

There is the process now going on for the clearing and eventual submission of names for the Western District. There are four or five names that have been recommended by various people now before the Department of Justice. The Department of Justice takes the names of individuals who have been recommended, they go to the American Bar Association in the area, or in the State, and they ask the Bar Association to determine whether they are well-qualified, qualified or unqualified, and, after the Bar Association has submitted their recommendations to the Department of Justice, then the Department of Justice submits the names to me.

There have been no names submitted to me for the Western District. Those two vacancies are still unfilled. I would assume that within a relatively short period of time, I hope, anyhow, those recommendations will come to me for approval.

And I do know that among some of the names that have been submitted—as I recollect there are about five, maybe several more—included in that group are one or two blacks. But I can't tell you what the Department of Justice is going to recommend because they haven't completed the process yet.

MOST MEMORABLE FOOTBALL EXPERIENCE

[7.] Q. Mr. President, I'm Jack Clayton, a member of the Bossier Parish School Board and a retired football coach.

THE PRESIDENT. Well, I am an old has-been, too, in that sense. [*Laughter*]

Q. Yes, sir. [*Laughter*]

THE PRESIDENT. It looks to me like we both played about the time when the ball was round. [*Laughter*]

Q. Yes, sir, that's about it.

Mr. President, my question was not regarding the school board but rather about football there. This is good football country, and I know there are a lot of good football fans here. And I just wondered since you were a good football

player, I just wondered if you might tell us one of your outstanding moments or the outstanding moment in your playing career?

THE PRESIDENT. Jack, those stories get better and better the longer you get away from reality. [*Laughter*] The reason that happens is there are fewer and fewer people who are around to tell the truth. [*Laughter*]

Well, I think probably the most exciting experience I had was playing 58 minutes in the Shrine East-West game for the crippled children's hospital in San Francisco on January 1, 1935.

ILLEGAL ALIENS

[8.] Q. Mr. President, I would like to ask a question. I am very concerned about the 8 million-plus estimated illegal aliens in this country and would like to know what you propose to do about this question?

THE PRESIDENT. I fully share your concern. We have anywhere from 6 to 8 million illegal aliens in the United States. In order to meet the problem, I recommended in the budget that I submitted in January, after consulting with the Attorney General, after consulting with the Immigration and Naturalization Service, after consulting with the customs department, I recommended that we increase the personnel in the law enforcement agencies for the purpose of apprehending and deporting illegal aliens.

We have in past years apprehended a lot of them, but they are not kept and actually deported. They go to the court or whatever agency they are called before and they are not actually deported. They are detained for a limited period of time. So, we're going to accentuate with more personnel and more money, the actual apprehension, detention, and deportation. The emphasis is going to be on deportation.

Q. Thank you, Mr. President. I want to say that the late Paul Bagwell would have been really proud of your answer.

THE PRESIDENT. Thank you. You knew Paul. He was a great guy.

ENVIRONMENTAL PROTECTION

[9.] Q. Mr. President, the environmentalists are causing our cities to spend about a third more money than we really feel like we should spend. In our little city, for instance, we get our water from a local lake and the environmentalists tell us now that we're going to have to put a sewer line around to catch the water that comes from the filtration plant and put it into our sewer system merely because they say we're polluting the streams, when all that's in this water is filtration from the lake.

In other words, we're putting back in the lake what we got out of the lake. Is there any room for improvement or help that the cities are going to get as far as environmental protection is concerned?

THE PRESIDENT. Well, the basic legislation that established the Environmental Protection Agency does impose rather rigid and very high standards as far as clean air and clean water is concerned.

Q. Yes, sir.

THE PRESIDENT. The law that was passed about 4 years ago also established a water resource commission—I have forgotten the exact title—and mandated that that commission come back with recommendations for the Congress and the President at the time the present law expires. And as I recall, the present law expires either this year or the middle of next year.

That commission has submitted its report, and in its report it recommends that there be some modification of the standards, not so much a lowering of the standards but an extension of the time span for cities and industrial plants to meet the standards. So, you don't have to do it all tomorrow.

Now that report, which is a very sizable volume, is before the Congress and before the White House. The chairman of that committee, appointed I presume by my predecessor, was then the Governor of New York, now the Vice President, and the vice chairman of that commission is Senator Ed Muskie of Maine.

I am told that the recommendations of that commission were unanimous, except for Senator Muskie, who thought we ought to stay with the present standards and the present timespan. I just present that because Senator Muskie is a very influential person and we have got to get, I think, a lot of support to support the recommendation by this commission, which will alleviate some of the problems you're talking about.

Q. Mr. President, we have time for one more question, please.

THE PRESIDENT. Fine.

IMPACT AID PROGRAM

[10.] Q. Mr. President, here in north Louisiana we're just as concerned about balancing the budget. But in our school system, through the Federal programs, we've been cut back considerably and of course, our interests, like your interests lies with the education of our young children. And we would like to know what is the progress through the Federal Government to reestablishing our funds?

THE PRESIDENT. I suspect you're talking about impact aid?

Q. Yes, sir.

THE PRESIDENT. Well, this is a long and controversial subject, but under the recommendations that I made, I said there should be full funding of category A, there should be a substantially reduced funding of category B, and no funding for category C and D, as I recall.

Now, the Congress every year has disagreed with me, as they disagreed with my predecessor and disagreed with President Johnson and disagreed with every other President back to President Eisenhower. I understand your situation, but I think you have to understand our problem.

The whole impacted aid program was initiated at the time of the Korean war, where we went in—not we, but the Federal Government—went in and took land, built a base—Army, Navy, Air Force, Marines—took away the taxability of that land and at the same time put military personnel on that base and those people had children and they had to have an education.

Now, category A, as you know, if full funding for all personnel who live on a base and for their children.

Category B, as I recall, is where a person works on the base but lives off the base and his children go to school in the local school system. Now, that situation is quite different than the person, the military or civilian individual, who works on the base because he doesn't pay any taxes. But a person who lives off the base, owns his home or rents it—there is a local taxing capability for that home.

Now whether I like it or not, or whether my predecessors liked it or not, I suspect that Congress will do what they've done in the past. They will probably fully fund A and B, maybe C—but let me tell you how bad it has gotten. A is all right, we're fully for that. B you can argue a bit, but they added a new one a little while ago, a year or two ago.

Now, the Federal Government has impacted aid for public housing. That, I think, is completely ridiculous and cannot be justified. But they keep adding a little bit every other year or so, and the net result is it destroys the integrity of the program A on the one hand and possibly B in the second.

So, it's not a minor amount when you take it all throughout the United States for all the military installations. It totals about \$600 million. That's what the whole package costs. That's not what I recommended. But that's what the total package for all impacted aid costs the Federal Government for all installations, about \$600 million.

So, we're talking about big money, not a little.

One other comment, and I don't mean to imply John or Joe are involved, but what really burns me up—and let me illustrate it by my own circumstances—Betty and I live in Alexandria, Virginia. We bought and lived in a home where

we had four children, all of those children went to the public schools in Alexandria, Virginia, and graduated from there.

Every year in October, Betty and I would get a slip, "Does your father work for the Federal Government?" Yes, I, as a Congressman, worked for the Federal Government. Our children were counted for impacted aid for Alexandria, Virginia, and all Congressmen's children are, whether they live in Montgomery County, Maryland, or Prince Georges County in Maryland, or Arlington County in Virginia.

Now, there is no justification for my children or any Congressman's children being counted for impacted aid to help the local school district. It just cannot be justified. What it means is that my taxpayers, when I represented Grand Rapids, Michigan, were subsidizing my public school taxes for the city of Alexandria, Virginia, and that ain't right. [*Laughter*]

Thank you all very, very much.

NOTE: The President spoke at 4:33 p.m. in the Hangar Auditorium at Barksdale Air Force Base. In his opening remarks, he referred to Representative Joe D. Waggoner, Jr., Governor Edwin W. Edwards

of Louisiana, Mayors L. Calhoun Allen, Jr., of Shreveport and James L. Cathy of Bossier City; and Lt. Gen. Richard M. Hoban, commander of the 8th Air Force Division.

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Remarks To Members of the Ambassador's Club in Bossier City, Louisiana. *April 27, 1976*

Dalton and Sugar and Joe Waggoner and all you wonderful people from Shreveport and the other areas that are around:

It's really been a wonderful day for me to come down to Barksdale and to participate in the several interesting, challenging and, I hope, productive incidents, meetings that we had and this is a sort of frosting on the cake. I really enjoyed meeting all your children this afternoon. You know we have to build for the future.

So, it was nice meeting them, it was a pleasure having an opportunity, and I hope to meet all of you. This is the last place that I think anybody ought to get serious, and I've been much too much of that today. I just want Dalton and Sugar and Joe and everybody else in the Shreveport area to know that it's been a great day. All of you have been very hospitable and warm in your welcome, and I just wish I could stay here 4 more days.

But I have got a few schedules over west of here someplace. [*Laughter*] And we are going over there and give it our best, but this has been an awfully nice

opportunity to get to know all of you, to make some reacquaintances, along with some new acquaintances. I thank you for your hospitality, and the next time I'll bring Betty down here. That's the trouble—I'm getting very self-conscious about her popularity. She takes care of the CB part of the—[*laughter*]. She told me after she got back from Texas that there was no problem. She had all the truckdriver vote. [*Laughter*]

So, I'm going to send her down again to try and get my votes to her polls. But thank you very much. It's been great being here and, Dalton and Sugar, thank you and may I express my deepest appreciation for being made a member of the Ambassador's Club. I've enjoyed it, being here, Holiday in Dixie, and as I said, the next time, sometime in the next 5 years, if we get invited, Betty and I will come down.

Thank you very much.

NOTE: The President spoke at 8:30 p.m. at the residence of Mr. and Mrs. Dalton Woods, chairman of the Ambassador's Club. In his opening remarks, he referred to Representative Joe D. Waggoner, Jr.

Prior to his remarks, the President attended an informal reception of the leadership and guests of the Ambassador's Club.

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Remarks at the Louisiana National Guard Military Ball in Shreveport. April 27, 1976

Thank you very, very much, Joe and John Breaux and all of you wonderful members of the Louisiana National Guard and your lovely wives:

I have had a just tremendous day here in Shreveport. The experience out at Barksdale, the various functions that I have had the privilege and honor to attend, the wonderful people that I have had the opportunity to meet, shake hands with, talk with, listen to, this has been a tremendous day, and I want to thank all of you here but also thank all of the people in this area through you.

So, it's just nice to be here, and the next time I'm going to bring Betty down. I thank you on behalf of Betty, but you know, I get self-conscious when I get those—[*laughter*—wonderful applause for her. I bask in her glory, which is great, but I know she would love being here, and the next time I come down we will come down together and enjoy your hospitality, your friendship, and the warm welcome that you have given her; as I am sure you will do for us when we make it the next time.

As I was coming here, shaking hands with many of you, it brought back some

wonderful memories of my experiences back in my hometown of Grand Rapids, Michigan, which is roughly the size of Shreveport, about 190,000, 200,000.

I have to let you in on a little secret. I was a Navy man, but they used to invite me to the National Guard, they used to invite me to their annual dances or their festivities such as you're having here. And I learned firsthand, as I am sure Joe and John have learned, that this country depends very significantly on the contributions that the National Guard has made and is making and will make to our national security.

I know from talking to many of my older friends around home that the National Guard moved in World War I and did the job that was required, the job that was needed. I know that the National Guard from home went down to New Guinea and fought there early in the war and did a superb job.

I know the National Guard moved in and took care of the situation, in many respects, at the time of Korea, the National Guard has always been ready to do its duty, in peacetime or in wartime.

And I also know that the people who one normally meets in the National Guard are the kind of fine citizens, whether they are professional people, whether they are labor or management, whether they are in one part of our society or another, they are leaders and this is what has made the Guard and all of its organizations around the country so important in our society.

This country is counting on you. This country is dependent on you. I see a few infiltrators like myself—a navy man—here tonight. [*Laughter*] But you know we are all part of a family and a family sticks together and does the job and that is what we, in America, really are—215 million Americans who have a devotion to our precious freedom, a dedication to our free enterprise system, a love for the kind of government that we have that has given so much to so many over a period of 200 years.

In the first century of our Nation's history, our forefathers built a kind of government that by any standard is the finest in the history of mankind. In the second century of our Nation's history, we developed the greatest industrial capacity of all time.

Now we're moving into our third century. We've got the government that can and will do the job. We have got the capacity to provide the material well-being for all of us, but now, in the third century, I like to think of this next hundred years as a time when we can really give to individuals the kind of liberty, the kind of opportunity.

We have had too much mass government, too much mass business, mass labor, mass industry, mass education. The next century, this one that is on our doorstep

now, ought to be the century of the individual, and I can't imagine 215 million individuals like we have in this country—we'll take them all on.

Thank you very, very much.

NOTE: The President spoke at 9:13 p.m. in the Shreveport Convention Hall. In his opening remarks, he referred to Representatives Joe D. Waggoner, Jr., and John B. Breaux of Louisiana.

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Exchange With Reporters on Arrival at Longview, Texas. April 27, 1976

IT'S a real pleasure to be with Senator John Tower and to meet my good friends here in Longview and have an opportunity to answer your questions. So, why don't we get going?

REPORTER. [*Inaudible*]

THE PRESIDENT. Yes, I do. But we're making a lot of headway; I think we're closing the gap. With the 4 days that I'll be in Texas, I think we have an opportunity to do better than we thought maybe a month ago. And we might give them a real tough go; we're sure going to try.

Q. [*Inaudible*] in this campaign?

THE PRESIDENT. Well, of course, the fact that the economy is doing so well, and that I can say that our policies, my policies, have been very successful, eliminates the economy from any contest as far as my opponent is concerned, because he didn't have anything to do with it. I think our policies, my policies, were very successful in taking us out of the worst economic situation we've had in 40 years. So, my opponent has moved into some of the other issues—defense, foreign policy—which I'm delighted to challenge him on because I think we're right, and he's wrong. So, I think that's where we're—

Q. Mr. Reagan says you are changing your policy in connection with Panama.

THE PRESIDENT. Oh, I don't think we've changed the policy at all. I may have been a little imprecise at one point, but we haven't changed the policy. Mr. Reagan wants to discontinue the negotiations and lead to more riots, more bloodshed, antagonizing 309 million South Americans, and inevitably leading to doubling or tripling our military forces in the Panama.

I think that's irresponsible. Our policy is one of negotiation that will seek to maintain our operational, our defense capability in the Panamas, and will, under no circumstances, give away anything involving our national security. I don't

think that's an issue that we're going to lose. We're on the right side, and he's on the wrong side.

Q. Do you believe Mr. Humphrey may be your opponent?

THE PRESIDENT. I think to a large extent it depends on what happens in Pennsylvania and the word I got on the plane was that Carter was leading 36 to 26 over Jackson. If Carter wins in Pennsylvania, I don't see how the smoke-filled rooms and the Democratic Party can take it away from him.

Q. Would you rather face Mr. Humphrey or Mr. Carter?

THE PRESIDENT. I don't really think it makes any difference. We'll win in November anyhow.

Q. Mr. President, is the country ready for a woman Vice-Presidential candidate?

THE PRESIDENT. I think there could be a possibility of a woman Vice President. We have a lot of very talented women in this country, and I think it is premature to say what the Vice-Presidential nominee might be. But over 50 percent of the population are women, and so there must be a lot of talented gals that I think could qualify.

Q. Mr. President, you are in beef country here in Texas at the present time. What about the possibility of limiting meat imports to the United States?

THE PRESIDENT. We're in the process right now, and have been for the last several months, of negotiating import quotas with the major countries that are traditionally the importers into the United States. We expect to get an agreement that I think will provide for a good trigger point, and a good quota limitation, and hopefully within the next few weeks or a month we ought to be able to achieve that. And I think that will protect our beef producers.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Nice to see you all. Thank you.

NOTE: The exchange began at 10:09 p.m. at Gregg County Airport.

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Remarks at a President Ford Committee Reception in Tyler, Texas. *April 28, 1976*

Thank you very, very much, John. Mr. Chairman, Madam Chairman, all of the wonderful workers here in this eastern part of Texas:

It is nice to be in the rose capital of the world, and I guess there are a few people here from Marshall, so I ought to recognize them. But it is wonderful to be here,

and when we arrived rather late last night, there was a tremendous crowd. You could feel the hospitality, and it's delightful to see such a big turnout here this morning, just about 96 hours before countdown begins.

But in the meantime, we have the outstanding leadership of John Tower here in the State of Texas to give all of the volunteer workers like yourselves an opportunity to go out and do what all of us can to make sure that when the polls close on Saturday, that we will do very well. And I get a feeling that although we may be the underdog, we can win on Saturday if we all do the job.

As I met all of you, I ran into several county chairmen. I know a little bit about working in the precincts and working in an organization, and I thank all of the people who have over the years undertaken those responsibilities because that's the hard, almost unrecognized area for people who believe in a philosophy, who believe in a person. So, I thank those who have done this in the past and who are doing it at the present time.

What I would like to do this morning is just give you some selling points as you talk to your friends, as you talk to those people who you call from the phone banks or from your own residence, as you do the other things that are awfully necessary and essential between now and Saturday. First, if you go back just 20 or 21 months and find where we were at the time I became President, we were in a period of inflation of 12 to 14 percent. We have cut that so that for the first 3 months of this year it's under 3 percent, and that's progress by any standard.

Shortly after I became President, we fell down into the worst economic recession this country has had for 40 years. There were many quick fixers in the Congress—not John Tower. He had a lot more sense than that. But anyhow, there were those that told us we should load up the Federal payroll, that we should just spend money like the machines couldn't run fast enough.

We decided there was a faster course that said the best way to solve our economic problem was to get the private sector of America to provide the jobs. That's where five out of six jobs in this country are anyhow.

And so, we didn't panic. We had a steady, we had a constructive course, and the net result is from the depths of the depression—or recession, I should say—about 12 months ago, we have added 2,600,000 jobs in America, and we now have more people employed in the United States today than in the history of the country. That's a good program.

Now, I have heard from some of my Democratic friends that they are claiming credit for all this progress. [*Laughter*] Well, I think this administration, with my leadership and with the help of people like John Tower, we have had the right course, and we can claim credit for the significant success in re-

ducing inflation and adding to employment. And let me say that those policies that we are undertaking will continue in the future.

Some allegations have been made by people who don't know the record that President Ford can't be decisive. Let me give you a few illustrations.

Number one, in dealing with the Congress where there is a Democratic majority, 2 to 1, I vetoed 48 bills. Thirty-nine have been sustained by the House and or the Senate, and the net result is we have saved \$13 billion as far as the Federal Treasury is concerned, and that is progress. And I think that's courageous, that's correct action.

But let's take some other areas where controversy swirled at the time we were faced in the Oval Office with the question whether to sign a bill or to veto a bill. One of the most controversial bills that came on my desk in this 20-, 21-month period was the so-called common situs picketing bill. The people who were for it were arguing very persuasively; the people who were against it were arguing very persuasively. But I decided that in the national interest it should be vetoed, and it was vetoed.

And then sometimes people say that President Ford won't face up to an issue, that he won't be decisive. Well, let me just let your memory go back to some time in May of 1975. We were faced with the decision as to whether or not we should take decisive action when an American cargo ship was seized by the Cambodians. What did we do? We took decisive action and the *Mayaguez* was gotten back. I think that is indicative of the strength, the courage, and the right action that I can take in this Office.

What I am saying is we've done a good job in getting the economy of this country on the right track. We're doing a good job in trying to restore confidence in the White House, and I think we've done that. We're making a major effort in all the 30-some States where there are primaries, and we've done reasonably well. We won five out of six and yesterday we got virtually all of the delegates in Pennsylvania, something over 100, so that's an indication that we will go into every primary, and we will take on our opponent in all cases.

We don't pick and choose. We say it ought to be up to all of the people to make a decision. And we went into Pennsylvania—our opponent didn't—we came out with 100-plus delegates.

Now, let me just say this: I'm down here for the second time. We're going to spend about 16 or 18 hours a day trying to make sure that the policies we believe in are sound, both at home and abroad. Betty was down last week, and she had a great time. She enjoyed herself. I am sure she made a few converts. She would have liked to have been here with me today, but we sort of have to

spread the family around. Jack was down here a week or two ago and was down, I think, Monday and Tuesday of this week.

What I am saying is that our closely knit family are doing all that we can to make sure that the policies that we stand for will be the policies of this country for the next 4 years. I think they can, and we are out to campaign between now and the convention, day after day after day because we think it's important that the philosophy that the Republican Party represents hold the White House for the next 4 years.

I know I can be elected. With your help, with your assistance, we can do a job and we can do the kind of a job between now and Saturday that will surprise some of our opponents. Wouldn't that be a great day?

I thank the people who are running for delegate. I will do all I can to make sure that they individually are elected on Saturday.

Let me thank all of you who are doing the hard work, whether it is at a phone bank or in the headquarters or raising money or selling our platform and our program to your neighbors, to your friends, and to any others.

Betty and the Ford children and I are deeply grateful. You are doing a great, great job, and I can't thank you adequately for your sacrifice and your efforts. We're just very appreciative.

It is nice to see you, and we look forward to seeing you in Washington some time in the next 4 years.

NOTE: The President spoke at 8:09 a.m. in the Vail Room at the Sheraton Inn. In his opening remarks, he referred to Charles B. Calhoun, chairman of the

Smith County President Ford Committee, and Mrs. George Pearson, member of the Texas State Republican Committee.

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Remarks and a Question-and-Answer Session at Tyler Junior College, Tyler, Texas. April 28, 1976

Thank you very, very much, Dr. Jenkins, Senator Tower, Mr. Flock, JoNell Henslee, distinguished public officials, students, faculty and guests of Tyler Junior College:

I would especially like to thank the Apache Belles for their very warm and enthusiastic welcome. [*Laughter*]

Second, it's a great honor to be at this outstanding junior college, one of the biggest and the very finest in the country, and congratulations to you.

Let me add a special hello to your very popular student body president,

JoNell Henslee. With all due respect to Jimmy Carter, she's my kind of peanut.
[*Laughter*]

Finally, one of the primary responsibilities of this or any other institution of learning and all others is to provide students with facts, facts and expertise that will prepare you for the decisionmaking that every job, every career, every profession calls for.

The President of the United States must also deal in facts, and today I would like to share some of those facts with you so that you can intelligently reach your own conclusions on a matter of supreme importance to our United States.

Somewhere between the snows of New Hampshire and the sunny climes down in Florida, the focus of this year's Republican campaign for the Presidency began to shift away from the growing strength and the growing prosperity of the American economy to a new and more complex issue—the strength of America's military forces.

Now, I have been down the campaign trail before, and I know there's a reason why a challenger will try to shift his attack. It's called second place. It makes you try harder and sometimes swing wilder. Having failed on the economic issue, the central thrust of my opponent's new strategy is to claim that the United States has become inferior to the Soviet Union, especially in military strength.

He deliberately quotes statistics without any in-depth understanding of them. His answer to the alleged inferiority apparently is to change our force structure so that it matches the Soviets, ship for ship, weapon for weapon, man for man, rather than looking at the overall capabilities.

First, let me say that the issue is not our military capabilities today. They are adequate to meet any challenge, let there be no doubt about that. By the testimony of all who know—and I spent much of my life in the Congress and in the Vice-Presidency and Presidency, dealing with the defense matters in-depth—by the testimony of Secretaries of Defense, past and present, Deputy Secretary Bill Clements, the Chairman of the Joint Chiefs of Staff, our military forces are capable of fulfilling their assigned missions, period.

The important issue is not today, but tomorrow. That's why I have been working with the Congress and in our country to adopt a defense budget for the United States which will provide for our national security in the years ahead.

But let's look at the problem for a moment, let's look at the question of whether—as my opponent implies—we should try to reshape our Armed Forces so that they mirror those of the Soviet Union.

What steps would we have to take in order to be exactly like them? The an-

swer shows a great deal about how superficial those charges are. In order to parallel Soviet forces, we would have to begin by mothballing the 13 aircraft carriers that now sail the seas flying the American flag.

Our huge nuclear aircraft carriers like the *Enterprise*, the *Nimitz*, and the *Forrestal* have no Soviet counterparts. Over half the Russian Navy consists of small patrol craft, minesweepers, and other small vessels.

So, to match the Soviet Union, as my opponent seems to suggest, we would have to retire our larger, more sophisticated ships with their awesome firepower and replace them with many, many more patrol craft, minesweepers, and the like. No one would truly believe that this would be a sane defense policy to protect America and to protect our freedom around the world.

Look at our Air Force and ask what it would be like to make it exactly like the Soviet Air Force. We would have to begin by grounding most of our B-52 bombers and calling off the progress we're making in developing a new, more capable B-1 bomber.

Or, think of our Marines, those valiant men who have won so many famous battles for us in the past. To parallel the Soviets, we would have to jettison the Marine Corps because the Russians have nothing comparable in either quality or in dedication.

Now, obviously, my opponent is not foolish enough to seriously suggest that we should do away with our carriers, our B-52's, or the Marine Corps. The significant point to make is that simplistic and superficial charges based on limited information and experience could lead to irresponsible and fundamentally harmful policy decisions.

Let's take one of his favorite charges—that the Soviets have twice as many men in uniform as the United States does. Presumably that means he wants to double the number of men and women that we now have in uniform from 2,100,000 to about 4 million. Obviously, that would require us to reimpose the draft to obtain sufficient manpower.

In turn, more than 2 million of our young people now in school or working would have to go into the Armed Forces, presumably or probably, most of them under selective service. We would have to divert billions of dollars now being spent for sophisticated new weapons systems for the Army, Navy, Air Force, and Marines to pay the added manpower costs.

Money that should be spent on the new B-1 bomber or the development of a new ballistic missile or expanding our fleet would be wasted on maintaining personnel levels that would add little to our overall military capabilities.

No reputable military expert that I know about or have heard about has suggested such a course of action. Such a policy, if you can call it that, would undermine rather than strengthen our defense. Let's look at the manpower question another way.

The United States has some 3 million farmworkers in all 50 States. The Soviet Union has 39 million farmworkers. Does that mean that we have to increase the number of farmers by 36 million in order to be equal to the Soviet Union? Of course not.

Our American farmers, equipped with the best technology in the world, relying upon the free market and their own ingenuity, feed seven times more than their Soviet counterparts year-in and year-out. Indeed, American farmers even help to feed the Soviet people.

The bottom line is this: It isn't always the number of men that count in the final analysis, but the quality. And as far as I am concerned, the men and women of the United States Army, Navy, Air Force, and Marines are the best in the world bar none, and we should be proud of them.

Obviously, we should exercise great caution before heeding the words of a man who obviously has no experience and little understanding of the complexity of national defense matters. Superficial arguments based on incomplete knowledge are fundamentally harmful rather than helpful.

I believe that a man who is campaigning for the highest office in this land must be willing to talk seriously about his policies and the consequences of his policies. When it comes to the life and death decisions of our national security, the decisions must be the right ones. There are no retakes in the Oval Office. Glibness is not good enough; superficiality is not good enough. Every serious candidate for the Presidency must be equal to the burdens and the responsibility of the Presidency.

Sometimes, when I hear the critics complaining about America, its defense policy, America and its foreign policy, always complaining but never offering any programs of their own, I am reminded of one of the finest Texans I ever had the privilege to know in the Congress of the United States.

Sam Rayburn served 50 years in Washington with over 3,000 Congressmen and Senators and 8 different Presidents. At the end of a long day, after he had worked hard to make a better life for America, when he heard from the chronic complainers, Sam Rayburn loved to recall what his father once told him: "Any donkey can kick a barn down but it takes an awfully good carpenter to build one up."

Now, as far as the national security policies of the United States are concerned,

I am convinced that the American people would rather have a President who is constructively seeking to build the foundations of a lasting security than someone who spends most of his time trying to kick them down. It is irresponsible and a disservice to the American people to lead them to believe that we are inferior when we are not, that our military strength is insufficient when it is not, or that there are pat answers and simple solutions to the complex issues of national security when there are none.

This country must have a President who can do more than scratch the surface of complicated problems. It's not enough to ask questions; it's not enough to offer criticism. It is the obligation of every candidate for the Presidency of the United States to offer alternatives, to deal in specifics, to provide some answers to the questions that he raises.

If a candidate fails in that responsibility, he has failed to satisfy the most fundamental requirement of a political campaign and of political leadership in this country—he has failed to level with the American people. You must demand more than that of Presidential candidates. The elections of 1976 are much too important for you to make your decisions on the basis of less than complete knowledge.

My record is clear. I have served as your President for more than 21 months, and during that period I have recommended the two largest military budgets in our Nation's history. They were needed to see that our military capabilities continue to be strong in the years ahead, as they must be if we are to find the peace and security we all seek.

A budget must also be based on facts and hard reality. One fact is that in recent years the Soviet Union has been spending more and more money for armaments, while successive American military budgets have been cut back by the Congress. It is a trend that cannot, must not, and will not continue. My budget for fiscal year 1977 both reverses this trend and makes sure, makes positive that our American fighting forces will continue to be unsurpassed by any nation on the globe.

It is a fact—and in this real world a very comforting fact—today America is a nation at peace, a nation with new confidence in itself and in its future, a nation that stands tall and strong and free as it enters its third century. If this is your idea of what America should be, I respectfully ask for your support this Saturday, next November, and in the challenging years ahead.

Thank you very much.

I am delighted now to answer any of the questions.

QUESTIONS

PANAMA CANAL NEGOTIATIONS

[1.] Q. Mr. President, we've heard many accusations by your Republican opponent, Mr. Reagan, and in one of these he states that the United States is going to give up control of the Panama Canal Zone, and I was wondering if this accusation had any merit to it?

THE PRESIDENT. Let me put the whole problem in proper perspective.

In 1964, riots broke out in Panama and 24 people were killed—20 Panamanians and 4 Americans—and on that occasion it was decided by the then President Lyndon Johnson that the United States should start negotiating with the Panama Government to try and resolve how we could keep the canal open for our use, as well as the use of other parties as they do today. And those negotiations have carried on under President Johnson, Mr. Nixon, and my administration, trying to find an answer.

And the attempt we're making is to find an answer so that the United States can maintain operational control, maintenance control, and defense control during the economic lifetime of the canal over a long period of time, anywhere from 40 to 50 years; certainly, well into the next century. No decisions have been made, and this negotiating process has gone on for 12 or 13 years.

I think it is constructive to negotiate, as my two predecessors did. Now my Republican opponent, by his very, I think, critical statements, in effect, says call off the negotiations. And let's think about the consequences of calling off those negotiations.

You would undoubtedly have more riots, undoubtedly more bloodshed. You would incur the enmity, antagonism of 309 million people in Latin and South America, 25 nations. And if we were to keep the canal open with these riots and this guerrilla activity that would inevitably result, the United States would have to add significantly to the present military forces there. We now have roughly 10,000 Army personnel down there to defend the canal. You would have to double it or triple it.

Now, I think those very bad consequences can be overcome by responsible negotiation, and anybody who wants to call off the negotiations by the language which has been used or the points that have been made, I think is terribly irresponsible. And I intend to continue the negotiations, and I assure you we will not do anything that will undercut, destroy the national security interests of the United States in the Panama Canal.

JUNIOR COLLEGES

[2.] Q. Mr. President, we are so proud of Tyler Junior College and its role in education, and we're so honored that you chose to come here.

THE PRESIDENT. Thank you.

Q. I'd like for you to comment about your thoughts about the place of the junior college in America today.

THE PRESIDENT. I have had a lot of experience, practical experience with junior colleges because, as I am sure Dr. Jenkins knows, the Grand Rapids Junior College was one of the first that was founded, in my hometown, back in about 1912 or 1913. And it is a fine junior college. So, I know the benefits not only now, but over the years. And this was particularly true during the depression, when many young people couldn't go to a 4-year school—they had to stay home and live with their parents and go to a junior college.

Now, in the Congress of the United States—about 10 years ago, the Congress approved and I supported the effort of the Federal Government to provide aid and assistance, financial aid and assistance, to what on a national level has been called community colleges and junior colleges, as I understand it, which are a part of that overall complex.

I believe very strongly that the community college, the junior college, has a very significant and vital impact on our educational process and I fully support them.

EQUIPMENT FOR ARMED FORCES RESERVES

[3.] Q. Mr. President, as a member of the Reserves of our Armed Forces, I have noted a continuing shortage of military hardware. If we are to maintain an adequate reserve force we must have the equipment to train with. Can anything be done about these shortages?

THE PRESIDENT. In the budget that I submitted for the next fiscal year, which begins October 1, on the recommendations of the Joint Chiefs of Staff and the Secretary of Defense, we have added extra money to upgrade or modernize our reserve forces, whether they are the Army, the Navy, the Air Force, or the Marines, or the National Guard. There is no question about the fact that during the Vietnam war and at the time of the Yom Kippur war in the Middle East, that our reserve hardware was cut back or was not kept flowing at the right level because we were diverting much of our mobilization reserve either to Vietnam or we did, on some occasions, to the Middle East.

But we are at peace. We now have an obligation to upgrade and to modernize the equipment that our reserve forces have. And in the budget for next fiscal

year, we are trying to do that. And I am telling you very straightforwardly, I recognize the problem that developed over a period of 5 years. We are going to correct it, because the Reserves play a very vital part in our overall national defense program.

DEATH OF MARINE AT SAN DIEGO DEPOT

[4.] Q. Mr. President, I'd like to know how you feel about the death of the east Texas marine in San Diego at the Marine depot? ¹

THE PRESIDENT. Well, when I first learned about the tragic incident, I asked the Secretary of Defense to give me a full report on this incident that ended very tragically. I have received a report from the Secretary of Defense. It apparently is a matter now in litigation or potential litigation so I, as Commander in Chief, ought not to comment on the pros or cons.

I have a full report, I know the whole history. It is sad, and it is very tragic. I can say this, that as a result of that incident and some other developments, certain aspects of Marine training are being changed, and I think changed for the good.

CONTINGENCY DEFENSE PLANS

[5.] Q. Mr. President, I believe that you and former Secretary of Defense Schlesinger have stated that we would engage in limited nuclear warfare in the defense of South Korea. Could you define limited nuclear warfare and the ramifications of such with reference to the Chinese?

THE PRESIDENT. I really don't think that I ought to discuss what we would do in any potential—if the potential is there of a war, whether it's limited or nuclear. Certainly we can speculate, but I don't think that I should announce at a forum like this what we would do based on some speculative assumption that we would have a reinvasion by North Korea of South Korea or some other adversary attacking us or attacking an ally.

We have contingency plans to meet all challenges, all challenges. And those plans are available for the Commander in Chief to make a decision on, under any circumstances, and I can assure you that we will meet all challenges. And we have the options as to what we should do. We have the capability to meet those challenges, and this Commander in Chief will meet any challenges in the future as decisively as he did when we took action at the time of the *Mayaguez* affair.

¹ On Mar. 13, 1976, Pvt. Lynn E. McClure, USMC, of Texas died as a result of injuries sustained on Dec. 6, 1975, during recruit training at the Marine Recruit Depot in San Diego, Calif.

OIL COMPANY DIVESTITURE

[6.] Q. Mr. President, Texas always has been recognized as one of the greatest oil-producing States in America. I wonder if you would comment on the big push in Congress and Washington nowadays of breaking up the major oil companies and what effect this would have on our economy?

THE PRESIDENT. That's a very good question, and I'm delighted to answer it. We have a number of major oil producers, refiners, retailers, et cetera. And there is a bill in the United States Senate, sponsored by my fellow Michigander, Senator Phil Hart, that wants to break up all major oil companies. It's called the divestiture bill.

We have analyzed that bill and others, and we analyzed those proposals on the basis of this criteria: Would those bills, if they became law, reduce the price of gasoline or any other product of oil? Would they increase the availability of domestic oil? Those are the two criteria. Would they reduce cost to the consumer, and would they end up in getting more production so we would be less dependent on foreign oil?

As we analyzed those bills that would break up our major oil companies and analyzed them against those two criteria, we come to the conclusion that divestiture as exemplified by that bill is wrong and, therefore, I am opposed to it.

U.S. POLICY TOWARD AFRICA

[7.] Q. Mr. President, recently Dr. Kissinger announced a new 10-point program dealing with our relations with Africa. Would you please elaborate on this program and specifically what support we will give to the black nationalists in their struggle for majority rule?

THE PRESIDENT. Let me summarize the objectives of our program in Africa. Number one, we strongly believe today, as we have over the 200-year period of our history, in self-determination by people of a country. That's how we got our freedom—self-determination.

Number two, our policy would guarantee minority rights for any individuals in any of those countries in Africa.

Number three, our policy is one of keeping major powers out of Africa, and major powers dominating any one country in Africa. We don't want to dominate the economy, the political system in any one of those countries, and we don't want any other nation to do it, including the Soviet Union. That's the basis of our program.

Now, let me be very clear on the last part of the question that you asked. We

are not going to supply any arms to any insurgents. We don't think that is the way for the United States to project itself as a country that wants to help solve some of those controversial problems there. Under no circumstances are we going to provide arms to any of the insurgents. We simply believe in self-determination, guarantee of minority rights, and the nondomination of any country by an outside force.

FEDERAL ELECTION COMMISSION

[8.] Q. Mr. President, there's been quite a bit of controversy concerning the national election committee. I was wondering what was your stand and what actions have been taken to give the candidates further money to further their campaigns for the Presidency?

THE PRESIDENT. In 1974 Congress passed the present law. The Supreme Court, on January 30 of this year, said that there were certain provisions of that law that were unconstitutional, including how the Federal Election Commission was established.

A few days after the decision of the Supreme Court, as Senator John Tower knows, we had the Democratic and Republican leadership of the House and Senate down to the White House in the Cabinet Room, and I told them the best thing to do was simply to amend the basic law to provide that the Election Commission could continue its work, and that the Congress shouldn't add a lot of extraneous legislation in the process of correcting what the Supreme Court said was wrong.

Now, that was January 30 when the Court made the decision. Two or 3 days after that I talked to the leaders in the Congress, and here it is—what's the date?—[*laughter*]*—April 28—here it is April 28, and the Congress has not yet finished its work on that legislation. It is unforgiveable.*

I had a meeting yesterday with some Members of the House and Senate, and they verified what I have been saying for the last 10 days while Congress has been on another vacation. [*Laughter*] They verified to me that the Congress, even the committee, the conference committee, hasn't finished its work. And one of the Members there said to me, "Mr. President, will you go out and say that you will agree with this piece of paper that they showed me?"

Well, I said, "Have you finished the job? Can you change it if I say I'm going to approve it?"

"Oh, yes, we can go back and change it."

I am not going to sign any—or indicate to the Congress that I'm going to sign anything that they can change when they get in some closed committee room.

When they finally do their job, 90 days or more after they started it, then I will make a decision. And it may be a veto and I may sign it, but I have to read the fine print, just like everybody else ought to read the fine print.

LIMITATION ON NUMBER OF TERMS FOR MEMBERS OF CONGRESS

[9.] Q. Mr. President, it has recently been suggested to limit years of service for Members of Congress. As President and as a former Congressman, how do you feel about this proposal?

THE PRESIDENT. Well, I have mixed emotions. I have seen some of the outstanding Members of the Congress whose contribution increased substantially every year that they served. And one of my dearest friends in the Congress is one of your fellow Texans. I served with him on the Defense Appropriations Subcommittee and on the Committee on Appropriations for 16 years. George Mahon is one of the most capable, most qualified Members of the Congress that I know, and he has been there 35 or 40 years.

On the other hand, I've seen some that have been there 2 years, and they shouldn't have come in the first place. [*Laughter*]

So, I do have mixed feelings. When you come right down to it. I think we ought to rely on the good judgment of the people in each congressional district or the voters in each State for a Senator. If they like the job the Senator or the Congressman has done, then they can keep sending him down. If they don't like him, every 2 years in one case and every 6 years in the other, they can make a change.

So, I really think it goes back to whether or not we have faith in the judgment of the people in each district or in each State and, boy, I am all for their judgment.

TEXAS PRIMARY ELECTION

[10.] Q. Mr. President, on what basis do you continue to refer to yourself as the underdog in the Texas primary?

THE PRESIDENT. Well, we have seen some polls when we started to actively campaign in Texas that showed that my opponent has been here many, many times and was making an impression with some of his statements. So, when you look at the polls, you have to believe them to some extent.

But we have narrowed the gap, because I think we have a first-class chairman of my committee in Senator John Tower. He's not only a great Senator but he's a great chairman of my committee. And then we have a lot of volunteers, and they seem to be coming into the various offices in greater numbers.

And naturally, I think my policy of prosperity at home—and it's really be-

ginning to move faster and faster and faster, with everything that's supposed to be going down going down, and everything that's supposed to be going up going up, and with our overall policy of defense and foreign policy, I think we have a very good chance of upsetting my opponent. And we're sure going to try.

PRESIDENT'S RELIGIOUS COMMITMENT

[11.] Q. Mr. President, my question is twofold. Do you believe the Bible is the inspired word of God and is truth when it says that Jesus Christ is King of Kings and Lord of Lords? Are you personally committed to Jesus Christ as King of your life? And as a political leader, will you commit your life to make Christ's principles the standard for all your decisions, whether judicial, legislative, executive, or personal?

THE PRESIDENT. The answer, without getting into the details, is yes. I have been, as a part of my own parents' family and as a part of our family, I think, been deeply committed. I have especially committed myself, and I think the decisions that I make every day have to be related to a higher authority than just what we as humans do.

And in my opinion, this is the way that all of us can get the kind of help that's needed and necessary in the future.

I will take one more.

SCHOOL BUSING AND FEDERAL AID TO EDUCATION

[12.] Q. Mr. President, your opponent has brought out that busing—he would do away with busing and spend the money that he is using—that they are presently using for busing to have better education. Now, what is your stand on this, and do you believe that in your proposed budget that you are going to use more money for education?

THE PRESIDENT. First, let me answer the last. In the Federal budget that I submitted for fiscal year 1977, in the field of primary and secondary education, I recommended \$3,400 million, which was a \$200 million increase over the current fiscal year. So, yes, we have recommended more money for primary and secondary education.

Number two, I have long said that the aim and objective is quality education. I believe there is a better answer to quality education than forced busing under court order to achieve racial balance.

Thank you very much.

NOTE: The President spoke at 9:02 a.m. in the Wagstaff Gymnasium. In his opening remarks, he referred to Dr. Harry E. Jenkins, president, and Jack

Flock, chairman of the board of trustees, Tyler Junior College.

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Exchange With Reporters on Arrival at Fort Worth, Texas.*April 28, 1976*

GOOD MORNING.

First, it's nice to be here at Carswell, and just as I arrived I had learned that the outfit here had, within the very last few days, gotten a hundred-percent rating on their performance on an operational alert, so I want to congratulate the base, the people, the support folks for doing an outstanding job. This is the kind of defense program we have—a hundred percent. I wish we could do that in politics.

Now, I will be glad to answer any questions.

REPORTER. Mr. President, do you still think Hubert Humphrey is going to be your Democratic nominee after Mr. Carter's performance yesterday?

THE PRESIDENT. Well, I would say that the momentum for Carter has certainly accelerated and it seems to me unless they go to a broker's convention and a smoke-filled room, that it will probably be Carter.

Q. Mr. President, over in Dallas a couple of weeks ago you thought the Middle East was stabilized. In view of what's happening with the new regime possibly coming into Lebanon, do you think this is taking a further stabilization?

THE PRESIDENT. Yes, I do, and before I left Washington yesterday I met for about a half an hour with Ambassador Dean Brown who just came back from spending about 3 weeks in Lebanon. And he believes that the situation is slowly but surely improving, and that the prospects for a settlement there have increased very significantly. It's still a hard road but the situation has improved, and we are optimistic that it will improve.

Q. Are you still adamant on your vetoing interim funds if they come through?

THE PRESIDENT. Well, when you look at the overall record, in 2 fiscal years I have recommended for Israel over \$4 billion and correspondingly lower figures for Egypt, for Jordan, for Syria, it seems to me there is no need in a 25-month period for any more than the amount of money that I recommended, which was over \$4 billion for Israel.

Q. Mr. President, you accused Ronald Reagan of being simplistic and not understanding the complex national defense issue and not being able to have a retake in the Oval Office. Aren't you engaging in personality politics, which you said you hoped to avoid?

THE PRESIDENT. Well, I had hoped to avoid it but when I heard and read some

of the things that were said, particularly about the security forces of the United States, I think the answer had to be very direct and very specific, and it was this morning.

Q. Mr. President, are you accusing him of being unfit to be President of the United States?

THE PRESIDENT. Oh, I wouldn't put it in that term, Phil. I just simply say that the defense capabilities of this country are sufficient, they are unsurpassed, and you have to look at the whole picture rather than little pieces that some people pick out and want to use as an illustration, which if you do is an unfair and I think an illogical way to approach our overall defense capabilities.

Q. Mr. President, if you have to run against Jimmy Carter, how do you size him up? Do you think he will be a tough opponent?

THE PRESIDENT. Well, we are concentrating, Wally, on our own campaign effort and I really haven't thought about any prospective Democrat. We will meet that head-on after August of 1976.

Q. Mr. President, are you worried that Mr. Reagan's win here could produce a domino effect?

THE PRESIDENT. Would you repeat it?

Q. Are you worried that Mr. Reagan's win in Texas could produce a domino effect?

THE PRESIDENT. Well, we are closing the gap, as I said earlier, in the last 24 hours, and we don't concede Texas to anybody, whether it's in May or whether it's in November.

Q. Mr. President, you talked about Reagan having a simplistic knowledge of foreign policy. Do you believe that Jimmy Carter falls in that same category?

THE PRESIDENT. Well we will meet that problem when we get through the convention in August and the nomination is achieved.

Q. Mr. President, in light of Secretary of State Kissinger's comments about unrelenting opposition to Ian Smith's government in Rhodesia, does this mean our Nation will be supporting the black nationalist movement in Africa?

THE PRESIDENT. What we have said—and I'll repeat it very specifically—the United States traditionally, including our own independence, believes in self-determination. It means that we have to guarantee the rights of the minority, and we are seeking, of course, to make certain that no foreign, non-African country dominates that great continent, and that includes the Soviet Union or anybody else. This should be a program on a worldwide scale of helping Africans help themselves. And we're dedicated to, as I said, self-determination and the protection of guaranteeing minority rights.

Thank you all very, very much. It's nice to see you.

NOTE: The exchange began at 12:10 p.m. at Carswell Air Force Base.

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**Remarks in Fort Worth at the Fort Worth-Tarrant County
Bar Association Luncheon. April 28, 1976**

Dick Brown, Senator Tower, John Lawrence, Bill David, Loren Hanson, Judge Brown, members of the judiciary, our reverent members from the various churches of this community, ladies and gentlemen:

At the outset, let me express my deepest appreciation to the Southwest High School Band and to the Castleberry High School Choir. Thank you, both of you.

It is a great privilege and a very high honor to have the opportunity to be here this afternoon before the distinguished members of the Fort Worth/Tarrant County Bar Association, Federal Bar Association, and the Fort Worth/Tarrant County Young Lawyers Association, and I thank you from the bottom of my heart for this opportunity to join you on this occasion.

It is a very special privilege to be speaking just 2 days before we celebrate Law Day all across the United States. The rule of law is the very foundation of our rational society, and the rule of law created by the people, which the people willingly obey, is central to a free and a democratic society.

In our Bicentennial Year, Law Day takes on a very special significance, for our Founding Fathers in establishing this country dared to put the ultimate authority into the hands of those described in the first three words of the Constitution: "We the people. . . ."

Not all men accepted this idea. Thomas Jefferson, in his first inaugural address recognized that some honest men feared a republican government could not be strong, but Thomas Jefferson disagreed with them. He believed this to be the strongest government on Earth. He said, and I quote: "I believe it the only one where every man, at the call of law would fly to the standard of the law, and would meet [every] invasion of the public order as his own personal concern."

Jefferson touched the very heart of our national fate. He said history would tell whether men could be trusted to govern themselves, and history has its answer.

Two centuries later, the United States of America is still a country where the people make the laws and the people obey them, and the United States of

America still has the strongest and the freest form of government on this Earth, and that is why we can say we are very proud to be Americans.

Now, we are on the threshold of our third century. I see this as the century of individual freedom in which individuals will increasingly fulfill themselves as they achieve their national or natural potential. For this to be the century of individual freedom, it must be the century of individual security. For the law to provide that security, we must have laws that are respected. We must keep the law alive by making sure that it changes to meet the changing needs of our society in America.

While protecting the rights of the accused, our emphasis must always be on protecting the rights of the victim. The victim must be our primary concern and the law must be our means of fulfilling the promise in our Constitution to ensure domestic tranquillity.

We must continue working to identify and to solve those social and institutional problems which cause crime in the first place. But there are also new efforts we can make and have been making to fight crime by improving the administration of justice. We must ensure that the law is administered fairly, swiftly, and surely.

One of my earliest concerns as President was to seek some cures for our crime problem, a problem which has been growing in this country for more than 50 years. I put crime control among the top items of our national agenda. In 1975 we saw the rate of increase in crime drop substantially in America—from 17 percent in 1974 to 9 percent in 1975—and we have found some productive ways to deal with crime by providing ideas and Federal seed money to the State and local authorities who have the responsibility for criminal prosecution.

Here in Tarrant County, for example, the Law Enforcement Assistance Administration will have provided almost \$2 million in aid to the district attorney's office from 1973 to 1978.

The money has been used imaginatively by your local law enforcement agencies to serve many, many purposes. It has helped your attorneys to use their time, their talents, much more effectively by providing administrative help, continuous training, and capital improvement such as computers.

One very important function it has served—it has been put to use by prosecuting attorneys in direct and immediate contact with police officers. By screening the cases as they are brought in, prosecution has been made very much more effective. This has helped to relieve overcrowding in the courts, which all too often lets criminals hide behind the logjam.

For example, LEAA last year finished a report on rape and its victims, and

is currently sponsoring a major national survey on that subject. We must continue our efforts at the Federal level to help local authorities improve their administration of justice. That is why I have recommended that funding for the Law Enforcement Assistance Act be extended through 1981, so that programs such as this can continue and so that we can confront special crime problems.

The studies will help local authorities to deal much more effectively and more extensively with rape victims and will aid in the prosecution of rapists. Over \$18 million of LEAA funds have been used by State and local authorities to find more effective ways of dealing with the problem of rape across the country.

In another area I am pleased to note that today the LEAA and the Administration on the Aging are signing an agreement which will help to target law enforcement resources on the criminal threat to the elderly, and this a serious problem all over the United States.

Still another program with very special promise was instituted at my direction shortly after I took office. In September of 1974 I directed the Department of Justice to undertake in connection with State and local government a career criminal impact program. The career criminal program is founded on a very basic truth—most Americans are law abiding and the vast majority of serious crimes in this country are committed by a very small minority of habitual offenders.

This small minority has chosen to place itself outside of our society, committing criminal acts not once, but again and again and again. They are a chronic threat to our security.

We must identify them, bring them to justice, and make their punishment swift and certain, and we will.

Here in Texas two career criminal programs are actually now underway. In Houston, one program began in July of last year and today the average time from arrest to indictment is 9 days for those identified as career criminals versus 42 days for other criminal cases.

The time from arrest to trial for career criminal defendants is a month less and for other criminal defendants sentences have averaged 25.8 years. That is not a bad record. Most important of all, since this program got underway in Houston, there has been a significant decrease in the number of armed robberies compared to the year before.

Not far from here, in Dallas, another career criminal program has been in effect for the last 6 months. In that brief time, it has zeroed in on 23 third-time offenders. It has shown the career criminal what awaits him. Of those 23, 20

have received life sentences and 3 received 40-year sentences, again not a bad record.

Let me make very clear that we do not pursue this swift justice in these very heavy sentences out of vindictiveness. I believe, in general, we must do everything we can to rehabilitate those who have committed crimes and to help them regain their place in society. But, for these career criminals, rehabilitation has obviously failed. These individuals have all been to one or more correctional institutions, and they have demonstrated for them at least rehabilitation programs have served no useful purpose.

Therefore, our duty—and I emphasize our duty—is to protect the innocent victim and potential victims by separating the career criminals from our society and keeping them confined for a longer and longer time.

Through programs such as this, we can help relieve the American people of a terrible threat to their lives and to their safety. By combating crime we reaffirm the right of every American to enjoy life, liberty, and the pursuit of happiness.

We must not be content until the potential criminal faces arrest so certain, punishment so heavy, that he will lose his taste for acts of crime and acts of violence.

Let me summarize the actions that we have taken to reduce crime in America. In addition to instituting the career criminal program and recommending the extension of funds for the Law Enforcement Assistance Administration, my budget that is for fiscal 1977 provides funds for four new Federal prisons. I have directed the Department of Justice to develop new programs to protect and to assist the witnesses in Federal criminal proceedings while fully supporting the right of the law-abiding citizens to own firearms.

I have recommended legislation which would make mandatory sentences for those who use a gun in the commission of a Federal crime. I have intensified the fight against hard drugs, which we all know are directly connected in many cases with crimes.

Just yesterday I sent to Congress a special message on drug abuse calling for mandatory minimum prison sentences for those convicted of trafficking in hard drugs. I have consulted with the leaders of Mexico, Colombia, and Turkey to urge stronger action by them in cooperating with us to halt the flow of hard drugs into the United States.

I have recommended that the Congress increase funds to get drug addicts into the treatment and out of crime. We are spending 10 times more Federal funds

on drug prevention treatment and rehabilitation this year than we spent just 7 years ago.

In addition to mandatory minimum sentences for drug traffickers and for Federal crimes involving the use of dangerous weapons, I have recommended to the Congress mandatory, minimum sentences for repeat offenders who commit violent crimes and criminals guilty of grave offenses, such as aircraft hijacking and kidnapping.

All of our efforts in these many, many areas have been aimed at ensuring domestic tranquillity and the rule of law. But, let us remember that crime is just one threat to the peace and to the security of all Americans.

At the Federal level, we must fulfill our obligation to provide national security as well as personal security. Until we can achieve the rule of law in the global sense, a strong military capability is absolutely essential.

The American people must be kept secure and free from the threat of outside attack. This means we must maintain our high state of military preparedness, and we will. We will continue to ensure that the United States of America is unsurpassed in military capability.

Here in Texas you play a very, very important part in maintaining our national security. I was pleased to find out as we flew in here this morning that out at Carswell Air Force Base, that wonderful installation with all those fine people in the Air Force—men, women, uniformed as well as civilian personnel—that they had a recent alert called by their higher ups, and they achieved a 100 percent readiness factor. They should be congratulated.

Your aerospace industry keeps us strong, helps us in the search for new ways to deter aggression, and I salute you for it. The defense program that I am proposing will mean that the United States of America will remain unsurpassed for years and years to come if we keep the trend which I propose moving in the years ahead.

I am glad to report to you that, since submitting the budget in January of this year, we have finally convinced the Congress after 10 years where they slashed, they cut, they reduced the budgets proposed by myself and my predecessors, they are apparently going to go along with the strong defense budget that I recommended for the next fiscal year. So, thank the Congress on this occasion.

Talking about that budget, just about 3 weeks ago we laid the keel for the first of our new class of nuclear submarines to be armed with the most accurate submarine ballistic missiles in the world. The Trident missile fleet will be the foundation for a formidable, technologically superior force through the 1980's.

We are now completing the final testing of the world's most modern and capable strategic bomber, the B-1. I budgeted in that budget we sent to Capitol Hill in January over 1½ billion dollars for the B-1 production in fiscal year 1977.

We are accelerating our work on a new intercontinental ballistic missile for the 1980's. We are developing a new use missile for both air and naval forces. Nor does our efforts stop with weapons, for we are also extending our Army divisions from 13 to 16 divisions. I pledge to every one of you and all others of the 215 million Americans that we will keep America strong, not strong for the sake of war, but strong for the sake of peace, which we now have.

We will continue this policy, this program of peace through strength and at the same time we will maintain our international leadership, negotiating wherever possible to reduce the level of tensions in the world. There are no easy answers, no simple solutions to the complex problems of personal and national security. But our determination to solve those problems in itself is a source of strength. Our warning to those who threaten our security at home or abroad is the same. Americans will never be intimidated and Americans will keep the security and the independence that we have had for 200 years, and we will keep it forever in the future.

Thank you very very much.

NOTE: The President spoke at 1:30 p.m. in the South Exhibition Hall at the Tarrant County Convention Center. In his opening remarks, he referred to Richard Brown, coordinator of the luncheon; Senator John G. Tower, chairman of the Texas President Ford Committee; John Lawrence, president of the Texas Bar Association; William B. David,

master of ceremonies and president of the Fort Worth Bar Association; Loren Hanson, president-elect of the Fort Worth-Tarrant County Bar Association; and former Judge Jesse Brown of Tarrant County.

As printed above, this item follows the text of the White House press release.

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Remarks at a President Ford Committee Reception in Fort Worth. *April 28, 1976*

FIRST, I want to thank the wonderful band over here. I want to thank all of you who I have had the opportunity to meet and the ones I didn't. I will also thank you because it's my judgment that we have a first-class organization, and we have some wonderful volunteers. And with the kind of leadership, with John Tower and everybody else, and some good programs, some good policies at home and abroad, I think we can surprise them and win.

My wife Betty came back from a wonderful trip down to Texas. She was enthusiastic. My son Jack—he came back from his second trip down here. Of

course, everyplace I go they say Jack is great, Betty's great—I'm getting a little self-conscious.

But we have the right programs at home and abroad. We have got outstanding leadership with John Tower. We have got tremendous support from people like yourselves. And I can't thank you enough for what you have done, what you are doing and, boy, that news could be very, very good Saturday night.

Thank you very much.

NOTE: The President spoke at 2:20 p.m. in the Foyer Lounge at the Tarrant County Convention Center. In his remarks, he referred to Senator John

G. Tower, chairman of the Texas President Ford Committee.

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Exchange With Reporters on Arrival at Houston, Texas.

April 28, 1976

GOOD AFTERNOON. It's nice to be here, and we've had a wonderful day and a half in Texas and we're delighted to be in Houston.

And I will be more than pleased to answer any questions.

REPORTER. Mr. President, Ronald Reagan has just completed a couple of days in Texas in which he has been urging people to cross over and to vote for—conservative Democrats to cross over and vote for him in the primary. Will this hurt you, and what are you going to do during your 24 hours or so in Texas to try to blunt that?

THE PRESIDENT. Well naturally, we are very anxious to have any and all Texans support my candidacy. We naturally would hope to get a very substantial part of the Republicans who normally vote Republican, but we would be very pleased to have Texans, Independents, or Democrats support us, and we want all elements of the great citizenry of Texas to support my candidacy.

Q. Are you badly hurt if you lose Texas?

THE PRESIDENT. We think, as I've said before, that we've been an underdog. We're closing the gap. We're going to make it a very close race, and I never predict what's going to happen in finality until the good citizens of Texas make the decision, and then we will analyze it.

Q. But if you lose, will it hurt?

THE PRESIDENT. Well, anytime you lose, when you finish second, of course you lose something. But we are going to continue work, and we will make a decision on that when the votes are all counted Saturday night.

Q. Mr. President, in talking and following up on Thomas' question here, are you interested in getting some of the supporters of George Wallace? You know the Reagan people are going after some of the Wallaceites in this State, and I just wonder if you feel that you should be getting some of those votes too?

THE PRESIDENT. I carefully stated what I said. I want all independent voters of Texas and all Democratic voters who traditionally have supported the Democratic Party who believe in my philosophy. And my philosophy is the kind that I think, overall, will appeal to most Texans.

Q. Mr. President, you seemed to say this morning that you thought that Mr. Carter might be replacing Mr. Humphrey as the frontrunner of the Democrats. Which candidate do you think would be the hardest to beat, Mr. Humphrey or Mr. Carter?

THE PRESIDENT. I always assume the Democrats are a very formidable contender or opposition, and I will wait until the Democrats make the choice. And I am sure they will make a choice either by the primary or convention process or in a smoke-filled room, and we will wait and see who they pick.

Q. Mr. President, has John Connally been of any help in advising you what to say or how to conduct yourself in Texas, and will you be calling him or visiting with him while you are here?

THE PRESIDENT. Well, I have met with John Connally on several occasions recently and we talked about the political situation in Texas and in the 49 other States. And when you talk politics with a man as experienced and able as he, you inevitably gain a bit of advice and counsel. And we are trying to draw on that help and assistance that he gave without endorsing me.

Q. Mr. President, have you made any better decision in terms of who you would want as your Vice President?

THE PRESIDENT. No, we still think there is a wonderful reservoir of good Republican potential candidates for the Vice-Presidency. And it is a little premature to make any selection at this time.

REPORTER. Thank you very much.

THE PRESIDENT. Nice to see you all.

NOTE: The exchange began at 4:03 p.m. at Intercontinental Airport.

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**Remarks and a Question-and-Answer Session at a Forum
in Houston. April 28, 1976**

Thank you, John. Senator Tower, Jim Norman, Tom Smith, Vernon Bratten, distinguished guests, ladies and gentlemen:

It is really a great privilege and a very high honor to join you for this meeting of the Houston Builders Association. I congratulate all of you for the part that you've played in the amazing growth of the Houston area in recent years. You know better than I that you have doubled the office space in Houston in just a short span of 6 years and that you rank third in the Nation in cumulative construction activity over the past 10 years.

With a thousand new residents every week and a generally favorable mortgage interest rate, housing starts here in Houston are among the Nation's most encouraging, with 4,388 in the last quarter alone. And there is an anticipated demand in this great area for 28,000 new units between now and 1978.

Net, new savings in Texas thrift institutions in January of this year were 54 percent higher than the same month last year. Twice as many building permits were issued in the first quarter of 1976 as in the first quarter of 1975, and nearly three times as many in March of this year as in March of '75.

Another stimulus to construction in the Lone Star State is the Federal aid to highway legislation which I will sign next week. This legislation will provide Texas with \$260 million for highway construction and improvements between June of this year and September of 1977, and another \$317 million in fiscal year 1978. That's a lot of money and a lot of construction.

Nationwide, where construction activity has been much slower recently, we're also seeing some very, very encouraging signs of progress. Building permits throughout America in each of the first 3 months of this year have been 100 percent greater than in the same 3 months of 1975.

With a balanced Federal budget—and I fully intend to get one by fiscal year 1979—we can get the Government out of competition with you in the private money market. We can let your business get bigger instead of letting the Federal Government get bigger and bigger.

For the present, your industry is already being helped by the economic recovery that we're enjoying throughout America today. We're making very encouraging progress in combating both of our most powerful economic enemies—inflation as well as recession.

The Consumer Price Index for the first quarter of 1976 reported an annual rate of inflation of only 2.9 percent—the lowest rate of inflation in 4 years. I can't guarantee it will continue to be that low with every report in the months ahead, but when you look back to the 12.2 percent inflation we were experiencing in 1974 when I first became your President, you can easily see that we have made real, solid, dramatic progress against inflation, and we are going to keep the pressure on and on and on.

We have made a great deal of progress, also, in fighting the recession. More than 86,700,000 Americans are on the job today. That's more than we've ever had in the history of the United States on our work force.

Considering where we started, with the worst recession in 40 years, I would say that's a pretty good comeback by any standard. Furthermore, the Department of Commerce announced last week that the gross national product—the value of all goods and services produced in America—rose at an annual rate of 7½ percent in the first quarter of 1976.

Real earnings for the American worker are up dramatically over what they were a year ago. Total retail sales are up 17 percent from last year. And the index of consumer confidence is about double what it was 12 months ago.

The fellows who are after my job may try to deny it, but the plain fact of the matter is we are on the road to a new prosperity in the United States of America, and we are going to stay on that road in the months and years ahead.

Finally, let me say with this strong recovery, yes, it is gratifying. This Nation has still not come to terms with one of the major causes of the recession itself. I am referring to our dependence on foreign energy sources for domestic energy needs. It is a tragic and very frustrating fact that our dependence has actually increased rather than decreased since the Arab oil embargo of 1973.

During 1 week in March, for the first time in America's history, we imported more crude oil and petroleum products than we produced here at home. I have done everything possible—given the opposition of an uncooperative Congress—to remedy this serious situation.

I would like to trace a little history if I might. In my very first State of the Union Message, in January of 1975, I laid out a plan to reverse those dangerous trends that have placed not only our energy needs but our economic future in jeopardy.

Fifteen months ago, I recommended decontrol of oil and new natural gas prices. The Congress deliberated, delayed, debated, dawdled all the way from January to December of last year and finally sent me an energy bill. It was a long way from perfect, but at least it was a start. In that bill, the Congress

agreed for the first time to remove controls on oil prices. Unfortunately, the Congress insisted that full decontrol be carried out over a 40-month period.

I indicated last December that I would order immediate steps to remove controls on petroleum products, and I also pledged that I would use all of the flexibility in the legislation to allow the increases in crude oil prices that are absolutely necessary to stimulate domestic oil production.

Now, we have already sent to the Congress a plan for decontrol of residual oil, and this decontrol plan will go into effect June 1. Plans are also in the mill for decontrol of distillates and gasoline. We are moving in the right direction in this area, both to provide the production incentives that we need and to reduce the control of the Federal bureaucracy.

But my goal is, has been, and will continue to be the removal of all price controls from oil and new natural gas as the best way to achieve energy independence in the United States of America.

Last week, I was delighted to read that the Texas Independent Producers and Royalty Owners Association expressed its support for my efforts to achieve energy independence. Naturally, I appreciated that support from one of the largest petroleum associations in Texas, and let me assure you that I intend to keep right on with these efforts for the next 4 years.

I know that some people didn't like the fact that I signed this energy bill. But there were some others who didn't like the fact that I vetoed the common situs picketing bill, either.

That veto was a crucial decision, but it was decisive action, just like the decision to recapture the *Mayaguez* when international bandits seized an American merchant ship 11 months ago, and we recaptured it.

If we wait for legislation on anything that completely satisfies everybody, this country is in for a long and dangerous period of inaction, and that's something we can't afford.

My administration, for the past 20 months, has pursued policies that reflect the commonsense and the pragmatic realism which today's complex problems demand—not the simplistic proposals that sound so good on the campaign trail. My experience tells me that I must deal with the world as it is if we are to make it the world that we want it to be. This is particularly true when it comes to the life and death decisions concerning our national security. The decisions made in this very vital area must be right ones. There are no retakes in the Oval Office.

My record is clear. Since I have been President I have recommended to the Congress the two largest military budgets in the Nation's history. They were

needed to make certain, to make positive that our military capabilities continue to be strong in the years ahead, as they must be, if we are able to find the peace and security that we all seek.

I am determined, as I always have been, to keep America's military capability unsurpassed by any nation on this globe.

You know, sometimes when I hear the critics complaining about America's defense policy and America's foreign policy—always complaining but never offering any programs of their own—I am reminded of one of the finest Texans I ever had the privilege to know in the United States Congress.

Sam Rayburn served 50 years in Washington with over 3,000 Congressmen and Senators and 8 different Presidents. At the end of a long day and after he had worked hard to make a better life for America, when he heard from the chronic complainers he loved to recall what his father once told him, and this is his quote: "Any donkey can kick a barn down, but it takes an awfully good carpenter to build one up."

Now, as far as national security policies of this great country are concerned, I am convinced that the American people would rather have a President who is constructively seeking to build the foundations of lasting security than someone who spends most of his time trying to kick them down.

Our policies have been successful, and they even promise more success and more progress in the future. That is the reason I ask your support on May 1 and November 2 and in the challenging years ahead.

Thank you very much, and I will be glad to respond to your questions.

QUESTIONS

DAVIS-BACON ACT

[1.] Q. Mr. President, the Davis-Bacon Act establishes an unrealistically high floor under the cost of the federally impacted construction. The GAO [General Accounting Office] is presently making a definitive study of the inflationary cost-effect of the Davis-Bacon Act. We estimate that the additional and unnecessary costs due to the Davis-Bacon Act amount to approximately \$6 billion. Do you favor repeal of the Davis-Bacon Act, and will your administration suspend the act for a period of 1 year to demonstrate the impact in savings to construction?

THE PRESIDENT. When that report comes from the GAO, we will take a look at it and make a decision. I am familiar with the effort that was made in, I

think, 1969 or 1970 for a suspension of the Davis-Bacon Act. It was suspended for a relatively short period of time. It was reimposed, I think, within 30 or 60 days, if my memory serves me correctly.

We will have the benefit of that recommendation or those studies by GAO, and when those studies come to me, I will make a decision, but until they do, I think it is premature.

Q. Mr. President, I wanted to tell you I am pleased to be here in your presence today, along with all these industry leaders in this area associated with the construction business. On the light side, I always read with pleasure when the media reports you have enjoyed a wonderful golf game. I'm a golfer.

THE PRESIDENT. Well, I hope they don't depend on that as to my score because—[*laughter*]—

Q. I also am a golfer, and, as you know, when golfing friends meet occasionally, why the first thing they say is, "Hello, how's your backswing?" Now, I don't intend you to answer that question, but I would like to extend an invitation to you to play sometime when your campaign activities are not so heavy on some of the many beautiful courses we have here in the Houston-Harris County area.

THE PRESIDENT. We get over November 2 and I would be delighted to come back and accept your invitation. [*Laughter*]

LUMBER INDUSTRY

[2.] Q. Mr. President, I'm a builder and a lumber dealer. I am concerned about timber and lumber and the availability at reasonable prices. The Monongahela decision in 1975 by the Fourth Circuit Court of Appeals upheld a 1973 lower court decision that defined an 1897 Organic Act for National Forests.

This resulted in limiting the cut to dead, diseased, or physiologically matured trees individually marked. Based on reliable information, this has virtually stopped all logging operations in the Fourth Circuit Court area. The United States District Court for Alaska agreed with the Monongahela decision. This court encompasses Alaska, Washington, Oregon, Idaho, and Montana and has ordered a halt to the sale of a 50-year, 8.2 billion boardfoot contract with 26 years to run.

National forests provide about one-fourth of the supply and contain about one-half of the available United States softwood, soft timber. Closing of national forest production could curtail availability of lumber and plywood essential in homebuilding 75 percent, from 12 billion boardfeet to 3 billion boardfeet.

As we understand the problem, the 1897 Organic Act for National Forests

is a law and in order to get relief this law must be repealed or amended. The lumber industry favors a bill introduced by, of all people, Senator Hubert Humphrey, known as the Humphrey-Johnson bill, without the Randolph amendment. At this time, several prominent leaders in the industry are now in Washington working for the passage of this legislation.

Mr. President, my question is—[*laughter*—]—please outline your position on this complex problem and, secondly, if such a bill is not passed, what is your position on laying down forest service policy pursuant to the authority given to the executive branch via the 1974 Renewable Resources Planning Act?

THE PRESIDENT. I am very familiar with the Monongahela decision and the subsequent decision by a court in Alaska. I know the very adverse impact of that decision on the lumber industry, on the communities that depend—they get 25 percent of all of the revenue that comes from forestland in the counties in which those forestlands exist.

So, in those areas counties are losing a very substantial amount of revenue, plus the added cost to the building industry.

The Secretary of Agriculture, with my full backing and authority, is working with a Senate committee, with Senator Humphrey and others, to try and get that committee to come out with legislation that would be the necessary amendment to the Organic Act of 1897.

I know there is a conflict in that committee between the Humphrey bill and the Randolph bill. The Randolph bill would limit clearcutting to 25 acres or less and the Humphrey bill would put the authority at the discretion of the Secretary of Agriculture and the Forest Service.

I think we favor the Humphrey approach, with some modifications, not significant. I hope we can get some progress on that bill through the committee, through the Senate, and hopefully through the House. We're working also with the House Committee on Agriculture on the same problem.

I can tell you that we want some action because we should not be hamstrung by a law passed in 1897 that had a totally different situation to deal with. We should have an updating of that legislation so we can protect our forests on the one hand and provide the necessary timber on the other.

WAGE RATES

[3.] Q. Mr. President, my question is that the Wharton School of Business at the University of Pennsylvania has estimated the total cost of the administration alone of the Davis-Bacon Act, not including inflated construction costs, to be

approximately \$1.5 million per year. This sum to administer the Davis-Bacon Act is greater than the cost to administer the entire Federal judiciary system.

Would you support and implement changes to Labor Department regulations to reduce or eliminate these counterproductive administrative costs?

THE PRESIDENT. When I was in the Congress—and I feel the same way today—the wage-setting setup was fundamentally unsound. And I can relate it to my own situation in Michigan when they were trying to set area wage rates, or even some of the more far-distant upstate areas in Michigan—they would go back to the labor rates in the city of Detroit. Now that just doesn't make sense. And I suspect that was true in many other States. I know it was true in the State of Michigan. I think that is an unrealistic, improper way for those wage rates to be established under the law that exists.

I tried when I was a Member of the Congress to get it done. We made some headway. I can't tell you precisely today what the status is, but if it hasn't changed from what it was 4 or 5 years ago, it better be changed.

TAX REFORM

[4.] Q. Mr. President, we here, all of us, are seriously interested in knowing if your administration is going to support the real estate and construction industry in opposing tax reform legislation that would take investment capital away from the developers and builders who are building the office buildings, apartments, and shopping centers and other projects that give jobs to millions of Americans and comprises a substantial portion of the gross national product of the United States?

THE PRESIDENT. It is my best recollection that the witnesses for the administration, when appearing before the House Committee on Ways and Means and probably the Senate Committee on Finance, opposed the kind of legislation that you and many others feel would be harmful or detrimental. We went through this controversy on several occasions when I was in the House of Representatives where the so-called reform tax bill was being promoted. And it is my best recollection that those changes were defeated in the House of Representatives and then the Senate.

My best memory is that the witnesses for this administration take the same position that you take.

VIOLENCE IN THE CONSTRUCTION INDUSTRY

[5.] Q. Mr. President, my question has to do with violence in construction. The Hobbs Act, passed in 1934, made it a felony for anyone to obstruct interstate

commerce by committing or threatening to commit acts of violence. In 1973, however, the Supreme Court ruled that unions were exempt from coverage when committing such crimes in pursuit of collective bargaining goals.

Since this ruling, the construction industry has been plagued with mob violence resulting in property damage, personal injury, and even murder. Local and State authorities have, in many cases, been unable to cope with this situation.

There is a proposed amendment to the Hobbs Act sponsored by Congressman Anderson and Senator Bartlett of Oklahoma, which would remove this exemption. But it has been in committee for more than 3 years, Mr. President.

My question is, will your administration actively support the passage of this legislation, and is there anything that the executive branch can do to expedite this bill from the Judiciary Subcommittee?

THE PRESIDENT. First, let me put this administration clearly on record that the Department of Justice of this administration will strongly implement any legislation that calls for criminal action against those people who commit a violent crime. There's no question about that. We have done it and will continue to do it.

We experienced in Michigan some serious problems up in the northern part of our State about 3 or 4 years ago, as I recall. I am not personally familiar with this particular legislation but, if it is a way to prohibit and to stop violence—which I abhor—then I can tell you that basically this administration would be sympathetic to it.

I naturally want to take a look at the precise language, and I know Congressman John Anderson and Senator Dewey Bartlett very well. We'll look into it, but I have to be realistic with you and say this: that with the complexion of this Congress, the prospects of action on such legislation are probably very, very limited, and the best way to ensure some action to correct the conditions that do exist will be to make some changes in the Congress in November of 1976.

Q. Good afternoon, Mr. President. I'm not much of a golfer, but if you and First Mama want to come back in November we would sure be proud to take you out for some tamales. [*Laughter*]

THE PRESIDENT. Well, First Mama did better on that than I did. [*Laughter*]

FEDERAL ELECTION COMMISSION

[6.] Q. I understand you gave her some lessons though.

House and Senate conferees have approved legislation, Senate bill 3065 to restructure the Federal Election Commission as mandated by the Supreme

Court. The bill extensively rewrites the Federal Election Campaign Act of 1975 and places severe restrictions on trade association political action committees such as the Big 50 Political Action Committee of the Greater Houston Builders Association, and business in general.

The bill would limit solicitations by a trade association political action committee to 1 per year and would require that each person solicited give approval to the solicitation and provide that the member not approve any other such solicitation from a trade association in a calendar year. It will also not allow businesses or corporations to solicit their employees.

How do you feel about this bill if it is passed with these severe restrictions on businesses and trade associations?

THE PRESIDENT. Let me give you a little history on it, because sometimes history is forgotten.

In 1974 Congress passed the Election Reform Act, a comprehensive new law to take care of Federal elections. The Supreme Court, on January 30 of this year, declared certain very important parts of that law unconstitutional. One of those provisions was the provision that said that the Federal Election Commission is unconstitutional under the way Congress wrote the law.

Two or three days after that Court decision, I had the Democratic and Republican leadership of the House and Senate down to meet with me in the Cabinet Room. I recommended to them early in February that what the Congress should do would be to simply take corrective action to reconstitute the Federal Election Commission so it would not be unconstitutional under the Court decision.

Bear in mind, the decision was made by the Court January 30, and here it is April 28. There is no bill that has come to my desk yet.

I was criticized a week or so ago because I wouldn't commit myself to sign the legislation. In the meantime, six Democratic candidates for the Presidency and my Republican opponent went to the Supreme Court and tried to get the Court to release the money that would come to them under the previous law, and the Court said no, the Congress better move.

Now, when I met with this group of legislators on yesterday morning to review this situation, I had people who were in the conference in the House and the Senate, and they showed me a piece of paper, or several pieces of paper, and I said, "Well, now, has the conference approved every word in that proposed compromise?" They said, "No we're meeting at 2:30 this afternoon to finalize our action."

Wouldn't it have been irresponsible on my part if a week ago I had said, yes,

I will sign that bill, when Congress hadn't finalized the thing? I'm not suspicious but—[*laughter*—if I said I would sign the conference report or the amendments to the law, they could have gone back up there and changed it, and I would have looked a little silly. I learned a long time ago, as a lawyer, that you better read the fine print and that's just as true of the fine print that Congress sends down to the Oval Office as it was when I was signing an insurance policy.

And so, until I see that legislation in its final form—and they probably won't get it down to the White House until the latter part of this week—I am not going to commit to anything.

I urged them again yesterday that they simply extend the life and make it constitutional of the Federal Election Commission. And the bill that they had as a tentative agreement required 4 pages to do that job, and then they added 20 more pages of the kind of amendments that you're talking about. And they could have changed words, phrases, paragraphs, the whole thing. And until I see the fine print in black and white passed by both the House and the Senate, I am going to reserve judgment, because we might get a bill I could sign. On the other hand, we might get a bill that I would veto. And until the decision is made by the Congress, I am not in a position to make any commitment. I don't think any one of you would either dealing with this Congress.

Q. Certainly. What about the severe restrictions, Mr. President? If legislation that comes in front of you does contain these severe restrictions, what would be your attitude toward the bill?

THE PRESIDENT. We have to make sure that the kind of problems you are presenting are not included in that legislation. Now, in talking with the Members of the House and Senate who were in that conference committee yesterday, their description of those provisions does not coincide precisely with the description that you're giving them. And that's why in a complicated, controversial area like this, I know you in good faith have gotten a report of what was in there.

These people were telling me what was in there, and there was a difference of opinion, actually, between the House Members and the Senate Members as to what the content was. So, I just urge you that I want equity in that bill. I didn't want any of these provisions. I just wanted a simple extension of the reconstitution of the Election Commission.

I'm against what you appear to be saying is in that conference report, but there are so many versions and variations of what was included, I think I can

just give you my broad view that we want equity, and we don't want any benefit going to one group that another group doesn't have. And I can just tell you we are going to be very, very tight and tough on what we decide to do.

U.S. GROWTH POLICY

[7.] Q. Mr. President, my question is the Clean Air Act bill, which is scheduled to be considered on the Senate floor next week, would in some people's opinion create a "no growth" policy for this country. Mr. President, do you support a no growth policy for the United States?

THE PRESIDENT. I categorically am opposed to a no growth policy in this country. And if that Senate bill or the final version comes down to me and it is a no growth policy piece of legislation, I will veto it.

You know this country didn't get where it is today—and I happen to think it's the greatest country in the history of the world—I love it, as all of you do—by having a no growth policy. This country got where it is today with all the material benefits, all the moral and spiritual benefits by having a progressive, forward-looking growth policy, and that's the kind of a country I want in the future.

HOUSING

[8.] Q. Mr. President, the real estate development and construction industry has recently suffered its worst depression in years. Now that the economy is improving, it appears as though the primary obstacle in the path of recovery of this industry is bureaucratic redtape. The agencies referred to that are basically involved are the HUD, FHA, and the HUD interstate land sales.

Real estate developers must spend 6 to 12 months waiting for FHA to process paperwork for approval prior to being able to fund projects which are critically needed to meet the housing needs of this Nation. Because of the large dollar amounts, these delays cost the consumers thousands of dollars per day of added costs. What are your feelings about eliminating these long delays encountered by the real estate industry in dealing with the Federal bureaucracy?

If you're willing to help curtail these long delays, will you support our industry's participation in dealing with this problem or does the industry just have to wait until the bureaucracy corrects itself? Mr. President, we are fortunate enough to be in the greatest business city in this whole country. We need your help; the consumer will need your help, sir.

THE PRESIDENT. Let me ask you, are you talking about multifamily housing units or the FHA program for individual units? I'm not familiar with any

delays of that kind. If you're talking about 235 projects, 236 projects, section 8 projects, if there is that kind of delay, it is inexcusable. Now, if you are talking about something that I am not familiar with, if you'll give me the dope and the data, we'll find out why it takes that long.

Q. Every one you just mentioned, sir, are the ones involved. You hit them categorically, and I thank you.

THE PRESIDENT. Well, if they take that long it's wrong, and I see no justification for that kind of bureaucratic delay.

I do want to point out we have made significant headway in another area that to a degree affects the building industry. When we recommended and Congress passed and I signed the Community Development Act of 1974, the effort then was to get away from seven categorical grant programs—urban development, et cetera—and we consolidated them all into one block grant so that cities can get their money and use it as they see fit rather than having seven different bureauratic agencies telling them how to do it.

Let me give you some statistics that show how, by that new legislation, the process of handling applications has improved. Under the old program of seven categorical grant programs, it took 2 years to process an application. Now it takes 2 months. What used to take, as I recall, 10 applications of some 4,000 pages, we now have 1 application of 50 pages. And in every instance, the city or the community can get its funds much more rapidly, have much more flexibility, and it gets the building industry in those communities moving a lot quicker.

Now, we will try to do the best in 235, 236, section 8. I can promise you I will find out from the Secretary when I get back.

Q. Thank you, Mr. President. Some of us don't have a whole lot of hair to spare, sir. [*Laughter*]

Q. Mr. President, as our concluding question, Mr. President, nearly all segments of the construction industry applauded your recent veto of common situs picketing legislation. That legislation would have done a terrible disservice to the entire country, as well as to the construction industry. We of the merit shop admire and thank you for your veto. Would you again, Mr. President, veto common situs picketing legislation if it were presented to you?

THE PRESIDENT. The answer is yes.

Let me thank you all again for the opportunity of being with you here in Houston. It has been a privilege and a pleasure, and good luck, and God bless

you. And I appreciate your understanding and hope you can give me some support.

Thank you very much.

NOTE: The President spoke at 4:43 p.m. in the Imperial Ballroom Center at the Hyatt Regency Hotel. The forum was sponsored by the Greater Houston Builders Association, Associated Builders and Contractors of Texas, and the Houston Contractors Association.

John T. Williams, president of the Houston Contractors Association introduced the President. In his

opening remarks, the President referred to Senator John G. Tower, chairman of the Texas President Ford Committee, James S. Norman, Jr., past president, Greater Houston Builders Association, Thomas Smith, local president, Associated Builders and Contractors of Texas, and Vernon G. Bratten, Jr., president, Greater Houston Builders Association.

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Remarks at a President Ford Committee Reception in Houston. *April 28, 1976*

I HAVE had an opportunity to meet a number of new friends and to make some new acquaintances with a good many old friends. I do thank each and every one of you for being here. I am very grateful, and I can assure you that your support is very meaningful. And you can rest assured that Jerry Ford, as President, won't let you down for the next 4 years.

Bob Mosbacher took over a tough job—just about the same adverse circumstances that I did in August of 1974. Bob has done a wonderful job in getting things moving, and I thank you, Bob. We just don't have to worry about that any more with Bob over there cracking the whip. But I appreciate all the help you have given Bob to make his job a lot easier.

Let me take just a minute or two to tell you the basic philosophy that the Ford administration espouses, believes in, and fights for. We believe that the way to solve our economic problems—and a year ago, you know better than I, they were tough. We were in the depths of the worst economic recession on a nationwide basis that this country has had for 40 years. There was a lot of pressure, particularly from the Congress, but from a number of elements in our society, that we had to turn a handle, spend lots of Federal money, pass lots of new laws, and that would be a quick fix that would solve all our problems.

Well, I decided then, that was not the answer. I believed all the 25-plus years that I served in the Congress, that the best way to keep our country healthy, the best way to preserve individual freedom for America, for 215 million Americans, was to keep the Government as far away as possible from interfering with

your individual life and your business and to give this great free enterprise system that we inherited from our forefathers a chance to work.

I don't feel I have to recite the statistics that prove that we are on the way to a very solid, a very constructive prosperity for the United States. And normally, I would be shy and hesitant about taking some credit for it, but we are getting a lot of criticism from people who say that things are still bad. And they are not quite predicting the depression as they were a year ago; they aren't predicting 10-percent unemployment, but, doggone it, we did a good job, and we are going to continue to do a good job for the next 4 years with the same basic philosophy, which is individual rights and a dedication to the free enterprise system.

Now, let me take just a minute to explain something that may interest some of you. I refer to the very difficult problem that this country faced following the oil embargo of 1973. All of a sudden this country woke up and found that we had a serious energy problem. And in January of 1975, shortly after I became President, in my State of the Union Message to the Congress, I recommended complete decontrol of the domestic oil industry and the decontrol of new natural gas. That is a matter of record.

During the next 12 months—not 12, but 11 or 11½—the Congress dawdled, delayed, debated; a number of false starts, a number of very bad proposals, and finally, in December of 1975, they put on my desk a bill that I didn't like. It was marginally signable. And when I signed it I said I would use every provision of that law to—as quickly as possible—free the domestic oil industry from the control that was imposed by previous law and by that.

And what have we done? As of, I think, today, the order has been issued to decontrol residual oil. We are in the mill of providing for decontrol of distillates and gasoline. And if we haven't sent it up to the Congress it will be there shortly—the first step under the law that permits us to get a 10-percent increase in the \$7.66 composite price. We are going to take every step that is permitted under the law to achieve total decontrol under the 40-month provision.

I will add one caveat. Any legislation that the Congress sends me to expedite that process, I will sign. If we can get some more flexibility, some more moderation in that law, believe me, I will applaud it. I will work with the same people that I worked with in getting our economy out of the recession or depression, and I think we are on the right path. It is slower, and it is not the way I wanted it, but at least you can count on me for the next 4 years, and we can celebrate together when that 40 months is up and we are through with controls, period.

Now, one other comment. As you also know, I recommended the total de-regulation of new natural gas. We were successful in getting a partial answer, not the total answer, in the bill that passed the Senate, the Bentsen-Pearson Act. Then, unfortunately—and this is a real tragedy—the House of Representatives failed to enact a rather comparable bill by a margin of three or four votes. That was really a tragedy. We did all we could to get the House of Representatives to go along with this Krueger bill, as I recollect. We are going to keep trying.

This is the only way, with the decontrol of domestic oil production, that we can meet the challenge that we face today with the United States getting more and more dependent on foreign oil sources.

In October of 1973, we were importing roughly 31 or 32 percent of all the oil that we used in this country. Today it is 40 to 41 percent and is probably going to get worse. But I think if we fight for the incentives that are needed and necessary and use the tools we have, we can make some headway.

I pledge to you, as I said in January of 1975, the ultimate answer to increase domestic production to get us away from dependence on foreign oil sources is decontrol in the United States, and I will work with you on it.

Thank you all very, very much.

NOTE: The President spoke at 5:47 p.m. in the Main Ballroom at the Sheraton Hotel. In his remarks, he referred to Robert Mosbacher, national finance chairman of the President Ford Committee.

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Remarks and a Question-and-Answer Session at a Campaign Rally in Houston. *April 28, 1976*

Senator John Tower, Bob Mosbacher, my lady friend on the left, and this fine young Boy Scout on the right, all of you wonderful Texans:

It's really a great treat and a great honor and a great pleasure for me to be in Houston today. And I can see very vividly why you consider Houston to be our finest major city. It's very obvious that you believe that Houston represents the future of America. It is a great place to live, a rewarding place to work, and a city celebrated for good times and wonderful, wonderful people. Thank you very, very much.

I am impressed, obviously, by the way you have grown at the astounding rate of 1,000 new residents every week. Some experts predict before long Houston will be the second largest city in the entire United States, and if I was number one, I would be scared to death. [*Laughter*]

But, I'm also impressed with the way that you have handled your growth. Houston has kept its budget under control by wise leadership and good management, and I congratulate you and your city officials. But may I express to all of you my deep appreciation for the wonderful support that your senior Senator, John Tower, has given me, but more important to all of you, the wonderful job that he has done for each and every one of you in the great State of Texas.

Let me say as a result of the wise management and the good, wise way in which all of you have participated, the cost of living here in the city of Houston is one of the lowest of any major cities, and I am told—and this is something that you should be very, very proud of—that jobs are available for almost everybody who wants one in the city of Houston. Congratulations.

You have got this enviable record here in Houston, but now let me say as we look at the entire United States, we have made very real and tremendous progress in returning all America to prosperity. We are on the right road, and we are going to stay there.

When I first took office, America was entering its worst recession in 40 years. Inflation was running at an annual rate of 12 percent. Last year the unemployment rate was almost 9 percent, but now the situation has dramatically changed for the better.

The Consumer Price Index, our leading inflation indicator, reported a cut in the annual rate of inflation from 12 percent a year ago to less than 3 percent for the first quarter of calendar year 1976. That's a reduction of 75 percent, and that's really putting the brakes on inflation, and we're going to try to do a better and better in the months ahead.

Despite the gloomy forecasts of those doomsayers of a few months ago, that unemployment would reach the figure of some 10 percent, we have reduced unemployment steadily and surely, and we're going to keep on reducing it.

In the past year alone, we have added more than 2,600,000 more jobs in America, and the gross national product is increasing ahead of even our own projections. We're doing very, very well, and all of you should be proud of it.

Obviously, we still have a lot of work ahead of us to provide more jobs and to reduce the cost of living, but we're on the way.

I'm very proud of the progress we have made under my administration, and I want to continue that record of active, effective action for the American taxpayer, to hold down unnecessary Government spending, which has to be financed out of your tax dollars.

I think most of you know—and my good friend John Tower reminded me, as well as you—I have not hesitated to use the Presidential veto. And so far I

have vetoed 48 bills; 39 of those were sustained by the Congress. But the good news, those vetoes which have been sustained have saved the taxpayers of this country \$13 billion. And if the Congress keeps sending me budget-busting spending bills, I will veto them again and again and again.

I didn't veto all those spending bills simply to save money; I vetoed some of them because they would have entangled America in a few more miles of governmental redtape, and I think we have far too much of that already.

I have faith in the imagination and the energies of the American people. I think government should help out individuals and businesses where necessary, but otherwise, government should stand back and let the American people get on with the job and do the good job they can do.

Frankly, I don't believe the purpose of government should be to give us what it thinks we should have, and I don't believe that government should give us everything we want. The more commonsense function of government is to enable us to earn what we want for ourselves.

I have said it before, but it is so. I think, true today, and I hope you don't mind my saying it again: A government big enough to give us everything we want is a government big enough to take from us everything we have.

It is very easy to promise things to people when you are a candidate, but when you are President you have a much more serious job at hand. You have to make hard decisions. These decisions are rarely very easy because, as much as you might like to, you can't make everybody happy. But once you have made those decisions, you have to stick by them and be prepared to take the consequences.

I will tell you one decision that I have made. I made it a long, long time ago, and then I reaffirmed it in the hundreds of votes over my 25 years in the Congress. I decided that a nation must always be strong militarily—second to none in this whole world—and today we are strong, unsurpassed in military might. And I am going to make absolutely certain and positive we are going to stay that way in the future.

I have made the necessary decisions, authorized the essential initiatives, and I will push, push hard the Congress for nothing less than the best. I will veto any defense bill sent to my desk that might compromise our national security.

I am very proud to be the President of a nation strong enough, determined enough, courageous enough to deter aggression, and as long as I am President we are going to keep it that way. I will spare no effort to keep this great country strong and free.

My administration, for the past 20 months, has pursued policies that reflect

the commonsense and pragmatic realism which today's complex problems demand, not the simplistic proposals that sound so good on the campaign trail. My experience tells me that I must deal with the world as it is if we are to make it the world we want it to be.

This is particularly true when it comes to the life-and-death decisions concerning our national security. The decisions made in this very, very vital area must be the right ones. There are no retakes in the Oval Office.

My record is clear. Since I became President I have recommended to the Congress the two largest military budgets in the history of the United States. They were needed to make certain that our military capabilities continue to be strong in the years ahead, as they must be if we are to find the peace and security that we all seek.

I am determined, as I always have been, to keep America's military might totally unsurpassed by any nation on this globe. Yet you know we sometimes get—well, sometimes when I hear the critics complaining about America's defense policy and American foreign policy, always complaining but never offering any program of their own, I am reminded of one of the finest Texans I ever had the privilege to know in the Congress.

Former Speaker Sam Rayburn served 50 years in Washington with over 3,000 Congressmen and 8 different Presidents. At the end of a long, long day, after he had worked hard to make a better life for America, when he heard from the chronic complainers, he loved to recall what his father once told him, and let me quote: "Any donkey can kick a barn down, but it takes an awfully good carpenter to build one up."

Now, as far as the national security policies of this country are concerned, I am convinced that the American people would rather have a President who is constructively seeking to build the foundations of lasting security than someone who spends most of his time trying to kick them down.

Now you and all the voters in Texas have to make your own decision. We have come a long, long way together. We made it out of the worst economic crisis in a generation. America continues to be a nation whose total resources in national defense and agriculture and science and technology and industry make it the strongest and finest nation in the world, in the world's history. We will keep America strong if we continue our sound and steady policy of realism and commonsense, if we keep a government that protects its people's freedoms, respects their independence, and responds to its needs, a government that promises only what it can deliver and delivers everything that it promises.

In the primary election next Saturday and in the election next November, I

hope that I can count on you for your support. I hope we can keep working together to build an even better America in the months and years ahead, because when Texans decide to do something, it gets done, and I would like to be with you when we do it together.

Thank you very much.

Now I am delighted to have the opportunity of responding to questions from those in the audience.

QUESTIONS

SOCIAL SECURITY PROGRAM

[1.] Q. Mr. President, you have stated that you are against using the Social Security Trust Fund to purchase stocks and bonds in American companies. It is estimated that this fund could possibly be exhausted some time in the 1980's. What is your opinion on how revenue will be raised in the future?

THE PRESIDENT. The question is, as I understood it, the Social Security Trust Fund is in some financial jeopardy. What do I propose to do about the problem?

The facts are that we have roughly \$40 billion in the Social Security Trust Fund at the present time, money that has been paid in by withholding from employers and employees. At the present time, because benefits have been raised and there has not been any significant increase in revenues that have been raised this 12-month period, there will be a \$3 billion deficit between income and outgo, and next year, unless we do something about it, the deficit will be \$3½ billion, and the next year, \$4 billion.

What this tells me—and I hope it tells everybody—we've got one of three choices: We can either decrease benefits; we can either go in or dip into the general treasury funds, which is money paid by all the taxpayers; or we can face up to the issue and raise the payments or contributions by employers and employees.

The proposal that I made, because I think the people who have paid in and who are paying in and who are receiving or will receive benefits ought to have the security that they thought they were buying—and if we are to do that, in my judgment the best of the three alternatives is to increase the cost to the employer and the employee for each employee of about \$49 per year, which I think is the best, the fairest, and the most certain way to do it.

Otherwise, you are going to get it out of the general treasury, or you are going

to reduce benefits for 32 million people, or you are just going to let the trust fund get down to zero. I think we have to face up to the problem, and I have done it, and I think it is the right answer.

CUBAN INVOLVEMENT IN AFRICA

[2.] Q. Mr. President, my question is, if the Cuban military units in Angola take any more action with respect to the nationalistic movements in southern Africa, what will be the policy of your administration towards Cuba if they take any military action in southern Africa?

THE PRESIDENT. Well, as we have said, I took the lead—it has been supported by others in the administration—that if the 12,000 to 15,000 Cubans who went in and, in effect, with Soviet help dominated Angola, if they were to take any comparable adventurism in Africa or in Latin America, they should know well in advance that we have a number of options—economic, diplomatic, and military—and we will use the proper option for the circumstances. And they shouldn't misunderstand it, because we will take charge, and we will do what is right.

NURSES TRAINING PROGRAM

[3.] Q. Mr. President, the Senate health education bill stated nursing is the one profession that is doing the most help in consumer health education in the U.S. today. Do you foresee in your next term of office providing additional funding for the Nurse Training Act?

THE PRESIDENT. Well, about 6 or 8 years ago a former colleague of mine in the House of Representatives, by name Frances Bolton—every nurse in the country knows Frances Bolton, she was the sponsor of the Nurses Aid Act in the Congress of the United States. A nurses training program was established with certain Federal funding to help and assist local hospitals or nursing homes or nurses training facilities.

It seems to me, as I recollect the facts, that that aid program has very substantially met the need and the demand for nurses, except for those that require a certain specialty. A good many of the facilities for nurses training have been constructed. Most of the basic nurses training programs have been put on a financially sound basis with local, State, and Federal assistance.

The area that seems to need the greatest help from the Federal Government's point of view is in the specialty area, and in that area my view as of now would be to support that kind of assistance in the future.

THE B-1 BOMBER

[4.] Q. Mr. President, my question is, part of the defense bill—part of the 14-percent increase in your defense budget included the new B-1 bomber. I saw a report on it on television a couple of days ago, and it was reported that it wasn't performing as they expected. Do you still believe the United States needs a new bomber like this?

THE PRESIDENT. I certainly believe that the United States needs a follow-on bomber to the B-52. We have roughly 400 to 500 B-52's operational today. Some of them are 15 to 20 years of age. I don't believe it's right for a President, as Commander in Chief, to keep sending out our pilots and crews in aircraft that have had the stress and the strain that the older B-52's have had.

I don't think it is right and proper, and furthermore, if we are to have a flexible strategic capability, we have to have ballistic missiles on the one hand, we have to have nuclear-powered submarines on the other, and we have to have our long-range, high-performance bombers.

The B-52's in a period of time ahead are going to be outmoded and outworn. And we have to have a B-1 in order to replace those B-52's. We anticipate buying about 255, as I recall the figure. We are in the final testing stages of the B-1. Everything appears at this stage to be performing as the specifications required, and if they are completed, and the testing is successful, we will go ahead in production. And in anticipation of that, I recommended for the next fiscal year's budget \$1,500 million for the B-1 production in the next 12 months.

ENERGY INDEPENDENCE PROGRAM

[5.] Q. Mr. President, my question is, about 2 years ago, at the height of the oil embargo, we imported about 30 percent, or one-third of our foreign oil. And when this supply of oil was cut off, it severely weakened our economic standing, standard of living, and things like this.

Now we import almost 60 percent of foreign oil, and we depend for 60 percent of our energy from the OPEC nations, and obviously we have become twice as dependent on foreign oil. But you have proposed, in order to aid this problem, Project Independence. Yet we have changed from 30 percent dependence to 60 percent. Project Independence doesn't seem to be working. I would like to ask you what other system you are going to have to change the problem?

THE PRESIDENT. You are essentially correct. In 1973, when the oil embargo resulting from the war in the Middle East took place, the United States was importing roughly 30-to-31 percent of all oil consumed in the United States. We had an oil embargo, the war was ended, the embargo ended. But in the mean-

time, our foreign oil suppliers have continued to raise the price of oil and the net result is that we are paying out about \$32 billion a year to foreign oil producers.

Now, in January of 1975 I recommended an energy independence program that called for the decontrol of domestic oil by April 1, 1975, the decontrol of new natural gas as quickly as Congress would act. Unfortunately, the Congress dillyed, dawdled, delayed, debated, and didn't get an energy bill before me in the Oval Office until December, almost 11 months later.

That was a marginally satisfactory bill. But you are exactly right. Because Congress has not acted to provide incentives for oil production in the United States and has not provided the necessary regulation, deregulation for natural gas, we have not increased our production here in the United States. In fact, there has been a slow decline.

So, today the United States is buying from overseas sources about 40 or 41 percent of foreign oil or foreign products. And if we had an oil embargo today like we had in 1973, we would be in a serious crisis in this country.

Now, what are we doing about it? We are gradually decontrolling oil prices. We are trying to get Congress to move on deregulation of natural gas. We are trying to increase the construction and operations of nuclear power. We are in the process of research and development for solar energy, for geothermal energy, and we are doing some far out research in some of the so-called exotic fuels.

It is going to take us, even with the Alaskan pipeline, at least until 1985 to get the job done the way we want it done. But we are trying. If we had a better Congress to work with, we would be a lot further ahead.

RONALD REAGAN; THE PANAMA CANAL

[6.] Q. Mr. President, after Ronald Reagan made his remark concerning the Panama Canal issue, you stated that you thought that a man that made a comment like that could not be a competent President. I was wondering, would you consider Ronald Reagan to be competent enough to be your runningmate in 1976? [*Laughter*]

THE PRESIDENT. First, let me correct the record. I said that a person that would cut off negotiations for the future arrangements of the Panama Canal would be acting irresponsibly, and I repeat that here tonight.

I say it would be irresponsible to cut off the negotiations which were initiated by former President Johnson in 1965 and carried on for the last 12 or 13 years.

Those negotiations are aimed at the preservation of our national interests in the Panama Canal. And we are going to negotiate.

No decision has been made to maintain the operational capabilities, the maintenance capability, and the defense capabilities for an extended period of time into the next century during the economic lifetime of that canal.

We are not going to give up our national interests in the preservation or the utilization of that canal, period.

Now, when anybody says we should terminate negotiations, what does that mean? It means that we will undoubtedly have the riots and the bloodshed that took place in 1964 when 24 people, including 4 Americans, were killed. It will undoubtedly mean that we will incur the enmity, the antagonism of 309 million people in Latin and South America, including 25 nations. And it undoubtedly would mean that in order to preserve peace and to protect the canal, we would have to send an additional 10–20,000 more American GI's down to defend the canal. We can avoid all of that and protect our national interest by continuing the negotiations.

Now, to answer the basic question that you asked me—[*laughter*—I understand in the heat of a political campaign that sometimes statements are made that, if they had the responsibility to exercise the responsibility, they wouldn't be quite as wild. And, therefore, having been in some political campaigns and understanding that people get overexcited and make sometimes exaggerated statements and campaign charges, well, we will take a look at it after we get the nomination in Kansas City. [*Laughter*]

U.S. PARTICIPATION IN THE UNITED NATIONS

[7.] Q. Mr. President, my question is that, why has the United States lessened its hardline stand against Third World and Communist countries? And I am speaking in reference to the recent resignation of Daniel Moynihan as our representative in the United Nations.

THE PRESIDENT. In the first place, that is not an accurate statement that we have changed our attitude in any way whatsoever in the United Nations. First, let me be quite frank: I appointed Pat Moynihan to the United Nations; he was carrying out my policy in the United Nations the way I wanted it carried out; and he resigned only for personal reasons. So, there is no change in the policy between the days of Pat Moynihan and the days of Bill Scranton, who is now our Ambassador there. Both of them have been, are, and will carry out my policies, and they are firm and strong on behalf of the United States of America.

Q. Thank you, Mr. President. I guess all we have left is to say, Mr. President, we are behind you—we are behind you today and Saturday and in November. Thank you.

NOTE: The President spoke at 8:23 p.m. at the Spring Branch Coliseum. In his opening remarks, he referred to Senator John G. Tower, chairman of the Texas

President Ford Committee, and Robert Mosbacher, national finance chairman of the President Ford Committee.

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Remarks at a President Ford Committee Volunteers Reception in Houston. April 29, 1976

GEE, it's wonderful to see all of you so bright and early this morning in untypical Texas weather. [*Laughter*] But let me just give you a quick evaluation of the wonderful day and a half or almost 2 days that we have had in Texas. Of course, we started just across the border in Shreveport near east Texas and moved from there to Longview and on further west.

But everywhere we have been we have had a warm, receptive, and, I think, enthusiastic reception. Let's be honest and frank. All the polls and everything else indicated we started as an underdog. But we are closing that gap, we are going to give them a real tough go, and I think we can win.

And let me tell you why I think we have made such substantial progress. Number one, in Senator John Tower we have got an outstanding leader, and you should all be very proud of him as your senior United States Senator.

Secondly, the kind of people that all of you are and the time and effort and the determination that you have had and, I said, whether it is in Longview or Tyler or anyplace else, we not only have an awful lot of quantity like all of you here but we have the best in quality in our volunteers. And thank you very, very much.

Then I happen to think we have some pretty good policies, both at home and abroad. So, when you call and talk from a phone bank or when you speak to your neighbor or you talk to somebody at the supermarket or one of you in your professions, whether it is the law or otherwise, you ought to have some affirmative selling points. And let me give you those very quickly.

We are on the upswing, and we are moving more rapidly every day to a prosperous and stable and healthy economy in the United States, and we can take credit for it.

When we talk about jobs, we now have 86,700,000 people gainfully em-

ployed in the United States. That is the highest figure in the history of the United States. That's not bad. In the last year, we have gained 2,600,000 jobs. A year ago, in May or April, we had a very bad economic situation. Jobs were being lost, the unemployment was much too high, but in this last 12-month period we have gained this 2,600,000 jobs, we have reduced the rate of unemployment, and the headway on jobs is up and the trend on unemployment is down.

But the most important factor, when we look at the overall picture, is what has happened in the area of inflation. When I became President 20, 21 months ago, the rate of inflation was 12 to 14 percent, unbelievably high, caused by a number of factors, but we undertook some sound, I think constructive, steady courses of action.

We didn't let the Congress roll us over—[*laughter*]—and the net result is the rate of inflation for the first 3 months of 1976 is under 3 percent. That's a 75-percent reduction.

And then there is another factor that I think we can sell. A President has to be firm and decisive. In dealing with the Congress, we have got a good batting average. We vetoed 48 bills; 39 of them have been sustained, and in the process, we have saved the American taxpayer \$13 billion.

And the person that occupies the White House—you know he can't have any retakes. [*Laughter*] He has to make a decision and stand with those decisions. About a year ago some international bandits tried to capture—and did capture—an American merchant ship. And what did we do? We took firm action and got it back, and that is the kind of leadership that this country has to have.

And I might say that if any future international bandits want to use those kind of tactics, they have been well warned that this administration is not going to tolerate any adventurism throughout the world.

But let me say in conclusion, we have got strength, we have got the calm, determined attitude that is necessary and required in this country, whether it is in the handling of domestic policy or in the area of foreign affairs. We have strengthened our alliances around the world. And we have convinced our adversaries that it is more important to negotiate than to confront.

And so, we have some selling points. But all of it really comes down to this bottom line. All of you are an important, in fact, I would say the main ingredient in how well we do on Saturday. The phone calls you make, the efforts that you undertake—that will make the difference. We are going to be working 16, 18 hours a day between now and Friday night. We will do the best we can. We

won't let you down. And I know you will make a maximum effort, and those clouds on Sunday could look awful bright, and I think they might.

Thank you very much.

NOTE: The President spoke at 7:53 a.m. in the Imperial Ballroom West at the Hyatt Regency Hotel.

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The President's News Conference of *April 29, 1976*

THE PRESIDENT. Good morning. Won't you all sit down.

It's been great in Texas for the last 2 days. We are looking forward to a couple more. So, let's get started this morning.

QUESTIONS

RONALD REAGAN

[1.] Q. I would like to ask you about what you said yesterday about Mr. Reagan. Does this represent a new turn in the campaign, where you and he will take on each other directly, confront each other directly and personally?

THE PRESIDENT. It's not a question of personalities. It's a question of which candidate has the best policies, the best programs; which candidate is the one that is better qualified to do the job. And that is really the issue, what the people in Texas have to decide and what the people throughout the rest of the country must decide.

We have laid out our program, which is a very complete and a very detailed program both at home and abroad, a program with a record. And my opponent is coming up with some rather simple, some rather lacking-in-detail answers, and I think the people in Texas must decide it on those policies rather than on personality.

Q. Why do you not refer to him by name?

THE PRESIDENT. That is sort of a tradition you do in politics.

JIMMY CARTER

[2.] Q. Mr. President, Dick Growald, UPI.

Mr. President, you said you would welcome a battle in November between yourself and Senator Humphrey as providing a clear battle issue of philosophy.

What would be the nature of the battle in November between yourself and Jimmy Carter, especially in view of former Governor Carter saying that you have failed to provide leadership in all areas?

THE PRESIDENT. If by chance former Governor Carter is the Democratic nominee, again it will be a challenge between a proven record on my part—where I think we have been very successful in taking a very bad economic situation and turning it around so that we are now on a stable and a constructive road to economic prosperity, and where our foreign policy, in my judgment, has been one of strength and success. It will be a contest between Carter and Ford, on a record and a challenger.

THE PRESIDENT'S TEXAS CAMPAIGN

[3.] Q. Mr. President, Michael Morgan, KHOU-TV, in Houston.

When we were up to speak with you last week at the White House, you mentioned that you thought you had closed the gap here in Texas between yourself and Mr. Reagan. Has this 4-day campaign blitz by you closed the gap even more?

THE PRESIDENT. I have been very, very encouraged by the wonderfully warm reception we have received in Texas for the last 2 days. And I have met with a great many of my volunteer Ford people here in the State of Texas, and they are getting more and more enthusiastic.

I find a good spirit and the determination, and the net result is I think we have closed the gap. We are making it very, very close, and I am always optimistic. And we certainly have generated a lot of momentum that I think could very well give us an opportunity to win.

But we are working hard. We have good leadership, good programs, good policies, and in the next 2 days, we hope to enhance the possibilities of success on Saturday.

U.S.-SOVIET RELATIONS

[4.] Q. Mr. President, Walter Rodgers, representing the Associated Press.

There has been a perceptible chill in U.S.-Soviet relations. You have dropped the word *détente*. Secretary Brezhnev's visit has been scrubbed, and there is no immediate prospect that the SALT II treaty will be signed. To what extent has the campaign been responsible for this very perceptible chill in Soviet relations?

THE PRESIDENT. I haven't detected any significant change in the communications between the Soviet Union and the United States Government. We are still

working constructively in trying to find an answer to the limitations on strategic weapons.

We are trying to work in every way that I know to keep the lid on any outbreaks throughout the world. We are certainly encouraged by the purchase by the Soviet Union yesterday of 3,400,000 metric tons of corn and grain, which I think is an indication of their living up to the agreement that we signed for a 5-year grain sale to the Soviet Union. I don't detect any deterioration in the constructive elements of a relationship between the Soviet Union and the United States.

NATIONAL DEFENSE PROGRAMS

[5.] Q. Have what you called Mr. Reagan's superficial and simplistic charges done any damage internationally, abroad and, if not, why have they upset you so?

THE PRESIDENT. Because they are not a true picture of our military capability on the one hand and, on the other, they could very well mislead our allies abroad and actually mislead some of our adversaries abroad.

We have a comprehensive, I think, a very strong and fundamentally sound military program. And I can take credit for the fact that we apparently are able to reverse the trend that Congress imposed on previous Presidents as to our military capability.

The United States Government—if my military program that I submitted in January is carried through, there won't be any doubt about the strong and effective capability of our defense program in the years ahead, so that the charges made by my opponent, being lacking in depth, overly simplistic, have, in my judgment, at least created some problems potentially abroad, because people might believe something that is inaccurate.

THE BUSINESS OF GOVERNMENT DURING THE CAMPAIGN

[6.] Q. Mr. President, Bart Cannon; I'm with the Houston News Service.

Trying to keep up with your campaign around the country, I have noticed that you made some political appointments in some primary States before you have gone there, and you have also dropped some grants and some Federal funds in those States. I am trying to find out if you think the President should use that kind of influence to buy voters?

THE PRESIDENT. Well, that is a completely inaccurate allegation. The business of Government has to continue. We can't stop making appointments, we can't stop agencies from awarding contracts or awards to cities or to States or to

organizations just because a political campaign is in progress. The business of Government has to proceed. And under no circumstances have any of these decisions been made in relationship to any primary.

THE PRESIDENT'S POLITICAL PHILOSOPHY

[7.] Q. Mr. President, Bill Broom of Ritter Newspapers.

One of the key issues in this Texas Republican primary seems to be whether you are conservative enough, and some newspapermen think they detected a shift toward the right in some of your policies and positions. Will this be a benefit or a handicap to you in the fall?

THE PRESIDENT. In the first place, Bill, the policies that I have carried out for the last 20 or 21 months in the White House have been the policies that I have believed in in the 25 years that I served in the Congress of the United States. They are middle-of-the-road policies both at home as well as abroad, and nothing that I have done, as far as I can analyze it, would indicate any shift in my basic philosophy or in the implementation of that philosophy. And I believe that being in the middle of the road, as far as the Republicans are concerned, on a nationwide basis, is the right policy. And I know it is the right policy in meeting a Democratic challenger in November.

Q. You are confident then that you are conservative enough to win in Texas, but middle-of-the-road enough to win in the fall, is that right?

THE PRESIDENT. I think so.

NATIONAL DEFENSE PROGRAMS

[8.] Q. Mr. President, David Glodt with KTRK-TV in Houston.

Why suddenly the attacks on Ronald Reagan openly? And secondly, are you saying that Ronald Reagan is, in effect, not fit to be President of the United States?

THE PRESIDENT. When I set forth our defense budget, when I carry out our foreign policy, it is predicated on an in-depth study before we make any decision, where I consult with the best experts that we have within and without the Government. And those policies have been successful, as I have indicated. And when they are challenged by over-simplified one-liners, in my opinion those challenges have to be met head-on by specifics. And that is what I have tried to do on an impersonal basis, and that is what I will do from now on, because this country deserves to know the facts in a complex and very difficult area, and you can't take just part of a problem and come to a certain conclusion. You have to look at the broad spectrum.

Now, some of those statistics that the former Governor has used are statistics that we use in convincing the Congress to give to the President the kind of a defense budget that I have recommended. But in the process, he only takes a very small part of those statistics instead of presenting the total picture. Let me give you an example.

In the strategic area, we have the most accurate, we have the most survivable ballistic missiles in the world and, at the same time, we have far, far more warheads, many more than the Soviet Union has. And in addition, we have in our strategic forces a 2 to 1 or 3 to 1 ratio over them in long-range, high-performance aircraft. So what you have to do is to take the total picture and not just a piece, which my opponent has done.

Q. What about—do you feel Mr. Reagan is fit to be President of the United States?

THE PRESIDENT. Well, that is a judgment for the voters of Texas and the voters of the rest of the country to decide. It is really a question of which individual is the best qualified to be President and, in that context, I think my record of performance in office is the best judgment that the voters can make. And I think in the final analysis they will make it for me and against someone who hasn't had the experience and the continuity in office.

PANAMA CANAL NEGOTIATIONS

[9.] Q. Bonnie Angelo, *Time Magazine*.

The Panama Canal renegotiations have figured in the Texas primary, in particular. In realistic terms, how important is the Panama Canal to our national defense?

THE PRESIDENT. The Panama Canal is not, in the overall context, as important today as it was in the past, although it is still a very vital part of our capability to move from the east coast to the west coast. And what I am trying to do is to maintain the usability of that canal without hindrance, without bloodshed, without guerrilla warfare, and without antagonizing 309 million individuals in South and Latin America. And if we break off those negotiations, it will unquestionably lead to bloodshed, we will have guerrilla warfare, the possibility of the canal being disabled. It would be very, very possible. So, what we are trying to do is to preserve the usability of that canal ad infinitum, so to speak, so that it will not be lost to us as a part of our economic and military needs and necessities.

THE ECONOMY

[10.] Q. Mr. President, Bob Morrison with KTRH-Radio.

I would like to talk about the economy for a minute, if we could. There have been some analysts around the country, also your opponent has said that some of the economic measures that your administration has put into effect are merely stopgap measures, and the country could possibly be in a recession in 1977 and 1978.

THE PRESIDENT. Well, those, of course, are typical campaign scare charges and have no substance whatsoever. We took a very serious economic recession that reached its bottom in April or May, a year ago, and by strong, affirmative, constructive policies we have been able to turn the economy around. We have reduced, for example, the rate of inflation from over 12 percent when I became President, down to less than 3 percent for the first 3 months of 1976. That is a 75-percent reduction in the rate of inflation. Now, those are trends that are going to continue, whether it is an increase in employment, a decrease in unemployment, and a reduction of the rate of inflation. Those are solid achievements, and I think the Ford administration can take credit for them. And we are not going to have any lapse in the months ahead.

Q. Then you feel that the United States is on the course for a peacetime prosperity?

THE PRESIDENT. Absolutely.

RONALD REAGAN AND NATIONAL DEFENSE PROGRAMS

[11.] Q. Mr. President, Muriel Dobbin with the Baltimore Sun.

You have said you would not rule out Mr. Reagan as the Vice President because of statements he has made in the heat of the campaign, yet yesterday you described Mr. Reagan as superficial, glib, irresponsible, and too inexperienced. Should your comments also be read in terms of campaign rhetoric, sir?

THE PRESIDENT. Well, I think you have to set the record straight. And as I said yesterday, the charges he has made for the last month or two have indicated some desperation on his part, and the more desperate you get, the wilder the charges, and I understand that. I have been through a number of political campaigns, but you have to meet them head on, and that is what we have tried to do by pointing out that the United States is unsurpassed in military capability, that the United States does have this tremendous capability industrially, agriculturally, scientifically, and technically. That is the bottom line, and that's what we ought to be talking about, not undercutting the capability of the United States.

INCOME TAX REFORM

[12.] Q. Mr. President, Bob Raleigh with KPRC–Radio in Houston.

Income taxes are something near and dear to the hearts of Americans this time of year. Do you favor income tax reforms and, if so, what would you like to see them become?

THE PRESIDENT. Well, the best income tax reform that I know of is the kind of a program that I recommended to the Congress in January of last year, where I recommended an increase in the personal exemption for every individual taxpayer from \$750 to \$1,000. That would affect every individual income taxpayer. That is the kind of reform that is meaningful, particularly to the middle-income taxpayer.

Now, Congress ought to get on with that job. I have recommended for the period after July 1 of this year, an additional \$10 billion reduction in taxes—75 percent of it to go to individual taxpayers, 25 percent to business, so that they can increase their productivity, modernize their equipment and plant.

That is the kind of tax reform that means something to people who want jobs on the one hand, and people who want more of their own money in their pockets so they can spend it, rather than have the Federal Government spend it.

Now, all of these other so-called tax reforms have been talked about for as long as I was in Congress. The way to get the job done is to increase personal exemptions as I recommended.

DEMOCRATIC PRESIDENTIAL NOMINEE

[13.] Q. Mr. President, Russ Ward of NBC News.

THE PRESIDENT. My old skiing buddy.

Q. A political question, Mr. President. Hubert Humphrey is reported ready to enter the Democratic race on a formal basis. We would be interested in your reaction to this, and then a related question. If Jimmy Carter is the Democratic nominee, as it now appears, how would you propose to go about winning the Southern conservative support that over the years has been needed for a Republican Presidential candidate to win?

THE PRESIDENT. Well, I am not really the best expert on whether or not Hubert Humphrey is going to enter the New Jersey primary, or whether by doing that he can stop Jimmy Carter, or whether Jimmy Carter is going to get the nomination. As an outside observer, I think the win by Jimmy Carter in Pennsylvania Tuesday certainly gave him the kind of momentum that ought to concern Hubert Humphrey and the other Democratic active candidates.

The only way I can see that they could stop him now is to have a smoke-filled

room, Democratic brokers' convention, and I think the public would object to that. And so unless they find some other formula, it seems to me that Carter certainly has the edge at the present time by a substantial margin.

Now, if he is the nominee, I think my overall moderate, middle-of-the-road philosophy, both at home and abroad, will meet the challenge in the South as it will in the rest of the country. And we will keep on that, what I think is a constructive policy. And the voters in the South, in my judgment, compared to someone who hasn't had experience, who has not dealt with the hard decisions in the Oval Office will mean that we can be successful in November.

OIL COMPANY DIVESTITURE

[14.] Q. Mr. President, Ann Broderick, KRBE News.

There has been talk of getting a divestiture bill through Congress this year. What are your feelings in regard to divestiture, and could you support such a bill?

THE PRESIDENT. Any divestiture bill that I have seen I would oppose. I would oppose it for this reason: We have analyzed all of the various divestiture proposals that have been submitted against two criteria.

First, would a divestiture bill reduce the price of petroleum products to the consumer? The answer is no. A divestiture bill would not reduce the price of gasoline, would not reduce the price of residual oil, would not reduce the price of distillates. And secondly, would a divestiture bill, under any circumstances, stimulate more domestic production of crude oil? The answer is no, because divestiture would undercut the capability of the American petroleum industry to go out and explore and drill for more domestic oil, and we need it very badly. So, when you measure these divestiture bills by those two criteria, you come to the conclusion that those divestiture bills ought to be defeated.

POSSIBILITY OF FORD-REAGAN DEBATE

[15.] Q. Mr. President, good morning. Tom Jarriel with ABC.

THE PRESIDENT. Good morning, Tom.

Q. Mr. President, you have said several times here this morning that the public deserves to know the facts, and in the debate over national defense issues that Mr. Reagan is using simplified one-liners, and the issue should be met head-on. Would not the best way to meet the issue head-on be for you and he to share a platform and debate this very vital issue? And if one could be arranged, would you welcome a debate?

THE PRESIDENT. Well, it seems to me my proposal for continued military

strength, the unsurpassed capability of the United States, is a matter of public record. And Mr. Reagan's charges, as he has made them in a simple, unverified way, in my judgment, is also before the American people. I think the American people can judge it over a period of time in that way much better than a 30-minute debate on public or private television.

THE PRESIDENT'S DELEGATE SUPPORT

[16.] Q. Should you go into the Republican National Convention without the necessary 1,150 delegates supported to you, based on your answer about Mr. Carter and the smoke-filled room, would you then free those delegates at the convention to move and look for another potential nominee?

THE PRESIDENT. Well, we fully expect to have 1,130 delegates by Kansas City time, so we aren't considering under any circumstances anything but winning in Kansas City.

WATERGATE AS A CAMPAIGN ISSUE

[17.] Q. Mr. President, Len Hart of KILT-Radio in Houston.

"All the President's Men" is currently enjoying a tremendous box office success all across the country, as well as here in Houston. How will the release of this motion picture, as well as the release of the book, "The Final Days," have an effect on Presidential politics or the Presidential campaign?

THE PRESIDENT. It certainly should have no effect on my candidacy, because at the time that I was nominated for the Vice Presidency, I had the most thorough investigation by over 400 FBI agents all over the country examining my records from birth on up. And when they got through with their investigation, the Senate Committee on Rules held several hearings; I answered all of their questions. The House Committee on Judiciary held hearings; I answered all their questions. I got approval from the two committees, and I got an overwhelming vote in the Democratic Congress endorsing my candidacy and indicating without any question of a doubt that I had no relationship whatsoever to Watergate.

So, as far as my candidacy is concerned, Watergate and all the problems that took place prior to August of 1974 won't affect me whatsoever or my candidacy. What impact it might have on others, I'm not qualified to say.

[18.] Q. Mr. President, as a man who should know, how much of the book, "The Final Days," can we take seriously; how accurate is it?

THE PRESIDENT. The only part that I am qualified to pass judgment on—as far as I know the book is reasonably accurate. I think, however, that it is in bad taste in a number of cases.

RONALD REAGAN

[19.] Q. Mr. President, I'm David Binder of the New York Times.

Following on Muriel Dobbins' and Tom Jarriel's question. Why, Mr. President, why, with a man you have described as irresponsible, simplistic, and whom you compared yesterday to a donkey—[*laughter*—why do you take this man so seriously? Why don't you ignore him? Why do you give him such prominence? Why do you have to meet him head-on?

THE PRESIDENT. Well, because the charges, in effect, could arouse some apprehension in the minds of Americans, could raise some questions with our allies, could raise some questions with our adversaries. And I want to reassure the American people, I want to reassure our allies, and I certainly don't want any misconceptions of our strength and our will as far as our adversaries are concerned. I feel that I owe it to the American people to tell them the truth, to state the facts, and to analyze for them as well as I can in these complicated areas, the fact that we are strong, that we have the kind of a program that can meet any challenge. I think that is my responsibility as President, regardless of any political campaign.

Q. Well, exactly, I mean, you would tell the truth and analyze the facts and present them and reassure allies with or without this particular opponent? I am just wondering why you build him up so much?

THE PRESIDENT. Well, because his charges have gotten a lot of publicity. And there are a lot of clever one-liners that might appeal to some of our fellow citizens if the facts and the overall picture is not presented to them, and that is what I have sought to do.

Q. But do you have the impression that any of our allies or a large portion of the American public has been swayed by your opponent's charges and rhetoric?

THE PRESIDENT. I can't be sure, and I don't want to gamble. I want the public to know the facts, and I want them to be reassured. And I want our allies to be in the same position. We have to be sure that from the facts, the American people can come to the right conclusion. And we can't let any campaigning rhetoric undercut the strength and the will of the American people.

PRESIDENT'S DECISION TO SEEK ELECTION

[20.] Q. Mr. President, Lou Hanlon, KEYH-Radio News.

At the time that you mentioned a moment ago, of your appointment to the office, throughout those hearings that were held you mentioned on several occa-

sions that you did not intend to seek reelection. Do you feel that that will affect your current campaign, or do you think the public will have forgotten about it by now?

THE PRESIDENT. Well, at that time, I was simply nominated as Vice President and under the circumstances, I felt the statement I made was the proper one. When I became President and looked at the possibilities both in the Democratic Party or in the Republican Party I felt that I was the best person to carry out these effective programs so we could meet the economic challenges at home and handle our foreign affairs in the most successful way. And with that feeling, I decided that it was better for me to announce my candidacy and to seek the election as President for the next 4 years.

That comment made when I was a nominee for Vice President I don't think will undercut my efforts either in the primaries or in the election leading up to November 2.

SUPPLEMENTAL APPROPRIATIONS TO THE DEFENSE BUDGET

[21.] Q. Mr. President, John Mashek, U.S. News [and World Report.]

Last night in introducing you, Senator Tower seemed to be suggesting that you are contemplating a supplemental appropriation to the defense budget. Are you, in fact, contemplating such a supplemental, and in what areas?

THE PRESIDENT. Well, we have already submitted a supplemental of some \$300 million, as I recall, for the Mark III production line for the ICBM's and some added equipment that would improve that ballistic missile capability.

Now, that decision was made because there has been a slowdown in the SALT II negotiations and that production line was about to terminate under the previous funding, I think, on May 1 of this year.

Just as added insurance and good economics, I recommended sufficient money to continue that production line for the next 6 to 12 months, as I recollect. So, that supplemental is before the Congress. In addition, as I said in the January budget that I submitted, we are currently reviewing our overall Navy shipbuilding program.

The shipbuilding program that I proposed to the Congress added 16 major capital ships, but it has been under review for some time. And we will get a final answer within the next month or two as to whether or not we should add additional capital ships to our Navy program. If we decide that is needed, I will submit a supplemental.

INCREASE IN DEFENSE BUDGET

[22.] Q. Would you agree that the Reagan opposition has given you an impetus to get your record defense budget through Congress?

THE PRESIDENT. No, because I made the decision in November–December of 1975 that I wanted a 14-percent increase in the defense budget, that I wanted the biggest defense budget in the history of the United States with a \$14 billion increase in obligation authority and a \$10 billion increase in spending for the Army, Navy, Air Force, and Marines.

Those decisions were made in November and December of 1975. At that time, my opponent was not a candidate. And therefore, the decision that I made to give to this country the largest, strongest defense budget in the history of the United States was made without any regard whatsoever to the political charges made by my opponent.

And the fact that we submitted that budget, the fact that it appears we have been able to convince the Congress to give it to us, I think is an endorsement of the policy and the new Secretary of Defense.

EMPLOYMENT OPPORTUNITIES FOR VETERANS AND MINORITIES

[23.] Q. Bill Vincent, KUHF News at the University of Houston.

Mr. President, your administration is putting forth to the public that you are reducing unemployment. However, a veterans' organization in Washington has reported that unemployment on Vietnam minorities and young veterans is approximately 20 percent. I want to know, as a concerned veteran, what specific policies and programs you will initiate to eliminate this plight among the men and women who served our country?

THE PRESIDENT. First, the best way to get all Americans back to work is the program that I have advocated where we have added 2,600,000 more employees over the last 12 months, including a number of veterans, a number of minorities.

In the case of the minorities, we have had for the younger people the full funding of what we call our Summer Youth Program at a cost of about \$450 million for each summer over a 4-month period.

In the case of veterans, we firmly believe in the GI education bill to get young people better qualified to have better jobs. And we have had in the past, and we are working on it, the program to employ, to get private business to employ veterans. The organization is called the National Association of Business, as I recollect—NAB is the abbreviation of it. They are making a major effort to try and get jobs for Vietnam veterans, particularly, and they have had considerable success, although we have got to do better.

VETERANS' EDUCATION BENEFITS

[24.] Q. Just one more question. On the GI bill, do you plan to pass the bill on the delimiting date on Korean veterans and, if so, how will 500,000 veterans who are depending on this money to finish their education do this?

THE PRESIDENT. Well, the ones who are presently in the educational process, I think you can make a good argument that they ought to have the opportunity to continue it, but there has to come a terminating point at some point in the future. We should take care of those who are presently engaged in getting an education. But I think there has to be a terminal point, whether it is 8 years or 10 years after the conclusion of their military service.

VICE PRESIDENT ROCKEFELLER

[25.] Q. Good morning, sir. John Cochran, NBC.

Sir, your campaign manager, Rogers Morton, has been quoted as saying you should give some thought to reconsidering Vice President Rockefeller to continue on in that office. And I just wonder if there were any circumstances under which you might say to the Vice President, "Well, you have done a good job, you have been loyal, and I wonder if you would reconsider about your availability and stay on?"

THE PRESIDENT. The best answer to that is that the Vice President wrote me a letter a few months ago and indicated he did not want to be considered as a potential Vice-Presidential candidate in the future, and I have seen no evidence of any change in his attitude.

Q. I imagine you could be very persuasive though if you wanted him to stay on. Do you think that there could be a circumstance under which he would stay—look around at all the available candidates and say, "Well, I think he is still the best one?"

THE PRESIDENT. I would not, under any circumstances, assume that he would change his mind. I have seen no evidence of it. So, until that change takes place—and I have seen no desire on his part to have it change—I think we ought to consider all of the other outstanding potential Republican candidates.

Q. So, he would sort of have to make the first move?

THE PRESIDENT. I think under all circumstances that is the proper way to proceed, yes.

DEMOCRATIC OPPOSITION IN CONGRESS

[26.] Q. Mr. President, I am Jacqueline Edge for the Highlands Star.

I would like to know, how can the American public expect any President to

act as effectively as he should be able to if Congress is made up largely of members of the opposing political party?

THE PRESIDENT. It does present some problems. [*Laughter*] But on the other hand, in a number of areas I have gotten some good support from a number of Democrats, some here from Texas, some from Georgia. We wouldn't have been able to sustain the 39 vetoes that I have made without the help of some discerning Democratic Members of the House and Senate and, incidentally, we have saved \$13 billion in taxpayers' money by that kind of support from some of the Democrats in the House and the Senate. But, I think to get an affirmative program through, it would be recognized, much easier if we had more Republicans and fewer of the liberal Democrats. The Democrats that I worked with most effectively are the more conservative Democrats, and they have been very helpful. But, we would like to replace some of the liberal Democrats with a lot more Republicans.

JOHN CONNALLY

[27.] Q. Hal Walker, CBS News.

Mr. President, how can you expect to win the State of Texas without the support of such a powerful political figure as former Governor John Connally? What are you doing to get an endorsement from Mr. Connally, and do you expect one between now and Saturday?

THE PRESIDENT. I have had two meetings with my good friend John Connally over the last month. He didn't indicate he would endorse me or my opponent, and I never asked him to endorse me. I think the better way for this primary to proceed is for my opponent and myself to meet head-to-head, which we are doing.

It would always be helpful for a distinguished public servant like John Connally to have his endorsement, but he, for good reasons, has decided not to endorse either my opponent or myself. And so we are meeting head-to-head, my opponent and myself, and perhaps that is the best way to have it happen.

REPORT OF SENATE SELECT COMMITTEE ON INTELLIGENCE

[28.] Q. Mr. President, Bob Sirkin, from WFAA-TV in Dallas.

More of the Senate Intelligence Committee's findings were released yesterday, and they said U.S. intelligence agencies felt they not only had a right to break the law but they had the duty to break the law. And I wonder if you agree with that summation and how these findings will influence your future directives to the CIA?

THE PRESIDENT. Well, the directives that I initiated for the total intelligence

community, including the CIA, the directives that I signed about a month ago, under my directives would not condone any violation of the law and would provide for strict enforcement against anybody in the intelligence community that violated the law.

So, I have already taken care of that problem, and I think the new CIA, the new intelligence community directives are an affirmative answer to the charges that are made by the Senate committee.

Q. Well, sir, do you agree with the findings of this committee in regard to them?

THE PRESIDENT. Well frankly, I have not had an opportunity to read the volumes of their testimony, or their conclusions. I have to look to the future. As far as I know, none of the allegations that they made, such as you have indicated, took place since I became President. They may have taken place beforehand, but I can assure you that they will not take place under the directives that I have given to the intelligence community, including the CIA.

Q. Do you think Senator Tower, then, is proper in not signing the bill?

THE PRESIDENT. It's not a bill; it's the committee report. I have a great deal of respect for Senator John Tower. And if he decided not to sign the committee report, I certainly would back him up.

FORMER PRESIDENT NIXON

[29.] Q. Fred Barnes of the Washington Star.

Mr. President, you mentioned a few minutes ago why you don't use Ronald Reagan's name while you are campaigning. I have noticed there is another name you never mention, and that is Richard Nixon. You mention Lyndon Johnson and Dwight Eisenhower and other Presidents but you only refer to Nixon as your predecessor or even as Lyndon Johnson's successor. How come you won't mention his name?

THE PRESIDENT. Well, it's my judgment that that is an unfortunate era, certainly the period that took place from 1971 or 1973 on, and I think the more that all of us forget that period and the unfortunate developments, the better.

Q. So, you're saying that you are deliberately not mentioning his name?

THE PRESIDENT. I think it's better for all of us to just not remind ourselves of that unfortunate period. I do it deliberately.

DEMOCRATIC CROSSOVER VOTE IN TEXAS PRIMARY

[30.] Q. Mr. President, I am Louie Alexander for Newsweek.

Here in Texas we understand that many supporters of Governor George

Wallace will cross over Saturday to vote in the Republican primary. If that happens, how do you think that will affect the vote for you?

THE PRESIDENT. I have no way of judging whether that element of the Democratic Party will cross over and vote for my opponent. I have said that I want all Democrats who believe in my philosophy, who subscribe to the success that we have had domestically as well as internationally, I want them to vote for me, and I hope they will. But I have no way of judging how many of the Wallace Democrats would subscribe and, therefore, vote for my Republican opponent. There is just no way I can give you a definitive answer on that.

PANAMA CANAL NEGOTIATIONS

[31.] Q. Mr. President, Richard Holwill, National Public Radio.

As you know, the key to the problem over the Panama Canal treaty is the term "in perpetuity." Some months ago, Secretary Kissinger, in talking and discussing the canal, said that we would negotiate a treaty with an indefinite time period. And the Panamanians replied very angrily saying they would negotiate no treaty that disguised "in perpetuity."

This morning you used the phrase "ad infinitum." I am wondering if that is a version of disguised "in perpetuity" and what the context of that was intended to be?

THE PRESIDENT. The context was that the canal would be open to transit by the United States and all other parties as long as it was economically usable or viable. That was the context in which I used that phrase.

Q. Are you hoping for a treaty which will continue to grant to U.S. authorities police power and other such powers within the Canal Zone?

THE PRESIDENT. Certainly. During the term of the treaty, which we would expect would be 40 to 50 years, which again is the estimated economic viability and usability of that canal, we would have the right to operate to maintain and defend it.

CUBAN INVOLVEMENT IN AFRICAN AFFAIRS

[32.] Q. Mr. President, John McDonald with KHTV, here in Houston.

Sources in Washington said yesterday that between 50 and 100 Cubans may have arrived in Mozambique, and they are training guerrillas for action in Rhodesia. Now, if this is so and it is "a move" by Cuba, are you planning any new diplomatic, economic, or military measures?

THE PRESIDENT. We have been assured by all of the African nations that are involved in that part of Africa that they are not interested whatsoever in any Cuban involvement in the problems of that very controversial part of the world.

They recognize what has happened in Angola where you have 10 to 15,000 Cubans. The Cubans with the Soviet backing actually have a tremendous impact on the Government of Angola. And I think most other African nations don't want that to happen. They want their problems solved by themselves without any domination from Cuba, the Soviet Union, or any other world power.

So, it is our best judgment and knowledge, information that these countries are seeking to keep out a dominant influence militarily, economically, or otherwise by Cuba.

MINUTEMAN III MISSILES; SALT II NEGOTIATIONS

[33.] Q. Mr. President, Ed Walsh with the Washington Post. Last January, Secretary Rumsfeld in his annual report to Congress said in effect that we already have enough Minuteman missiles and to build more than the 550 we have would not be worth it. That being the case, sir, how do you justify asking Congress for \$322 million to do that?

THE PRESIDENT. Well, if you go back and look at the budget that I submitted in January for the Department of Defense, we said that the Minuteman III production line would close under present plans sometime early this spring. At that time, it looked like we would probably make more progress in a SALT II agreement, and if we had consummated a SALT II agreement, there wouldn't be any need for a further add-on to the Minuteman III production line. That progress has not materialized, and on the basis of good economics, and on the basis of good judgment, which we indicated in our budget presentation, we have decided to proceed with the Minuteman III add-on production.

Q. Does that mean, Mr. President, that if there is a sudden breakthrough, a sudden improvement in the pace of those negotiations, you may withdraw that request?

THE PRESIDENT. That is a possibility, but again, we can't speculate to that degree. This is just good insurance and good economics. And that's why we have asked for the extra money, and we said we might do it if negotiations didn't produce as we hoped they should.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Thank you all very, very much.

NOTE: President Ford's thirty-first news conference began at 9:32 a.m. in the Imperial Ballroom West at the Hyatt Regency Hotel.

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Remarks in Houston at the Annual Meeting of the Texas Nursing Home Association. April 29, 1976

IT'S nice to see some more friendly faces here.

Mr. Pendergast, Senator John Tower, members of the Texas Nursing Home Association:

It is a privilege and a pleasure for me to have the opportunity to stop by and make some observations and comments and to thank you for the good job that you have done not only here in Texas with your organization but with comparable organizations throughout the United States.

I know from personal experience in my State of Michigan that the organization or the association there has done a good job, and I'm sure that that is likewise true here, and I congratulate you and compliment you.

But let me talk for just a few minutes about some of the things that I am trying to do to make certain, to make positive that the 32 million or 33 million Americans who are the beneficiaries of social security and other Federal programs are properly taken care of.

You, I'm sure, know that in the State of the Union Message that I submitted to the Congress in January of 1976, I recommended the full cost-of-living increase for social security recipients. And it is my understanding that based on the calculations that have been made by the proper authorities, that will be 6.4 percent, as I recall, as of July 1 of this year.

I believe that we, as a nation, hold an obligation to that part of our society, that they bought and paid for the benefits that are coming and ought to be given to them under the law.

Another program that I feel Congress ought to act on is what is commonly known as catastrophic insurance. It has been my experience as I traveled around the country to see in many, many instances, individuals who were good citizens and saved their money and planned for their retirement all of a sudden be hit with a catastrophic illness where the costs were great, where the time that they had to spend in a hospital or a nursing home was very, very extended.

And I am told under Medicaid that there are roughly 3 to 4 million of our fellow citizens who are adversely affected by a catastrophic illness. I think we owe an obligation to them because they, under no circumstances, could pay the cost to maintain adequate care during this tragedy.

So I recommended to the Congress that something be done about it. Un-

fortunately, no action has transpired at the present time. Unfortunately, the prospects do not look good. But believe me, I feel an obligation, and I think those of us who are healthy, whether we're young or old, owe an obligation to that segment of our society that are tragically hit by these unfortunate illnesses.

I likewise know that your organization has raised a good many questions about HEW's 1972 regulations. I'm sure you are not the only organization, because I am informed that other State organizations comparable to you have done likewise.

It does appear to me—and I have talked to the Secretary of HEW about it—that there is an overzealous interference attempted by those regulations. And I hope we can do something affirmatively to change them.

I have repeatedly said that we want to get the Federal Government off the backs of people and out of their pockets. We have recommended tax decreases, additional tax reductions. We are making some headway in reducing Federal paperwork.

About 6 months ago, I directed the Office of OMB to make a 10-percent reduction in the total paperwork as far as all Federal agencies and departments are concerned. And that 10-percent reduction is to be achieved by July 1 of this year.

Let me put it as simply—but I think as succinctly as I can, as it affects what all of you are trying to do: Your emphasis should be on taking care of patients, not making out forms.

It has been a great privilege and pleasure to be here and to say hello to you and to give you the benefit of some of my views, the programs and policies that we are seeking to implement for the benefit of all of the 215 million Americans.

And I thank you for the opportunity for saying hello.

NOTE: The President spoke at 10:18 a.m. in the Imperial Ballroom Center at the Hyatt Regency Hotel. In his opening remarks, he referred to Douglas Pen-

dergast, president of the Texas Nursing Home Association, and Senator John G. Tower, chairman of the Texas President Ford Committee.

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Remarks at Dedication Ceremonies for the Montgomery County War Memorial Park in Conroe, Texas. *April 29, 1976*

Thank you very, very much, Senator John Tower, Congressman Charlie Wilson, Mr. George, Mayor Bud Hooper, Reverend Godbey, distinguished guests, ladies and gentlemen:

First, let me thank you very deeply for the opportunity to participate in this memorial ceremony, and I thank you from the bottom of my heart for the replica, which will be appropriately displayed and greatly appreciated in the White House. I thank you very, very much.

It is obviously a great pleasure to be in Conroe, Texas, the third fastest-growing county in the United States—Montgomery County, I gather I have a friend or two here in Conroe and Montgomery County. Thank you very, very much.

The purpose of my visit can be summed up in a very few words. As much as I believe in a strong and prosperous American automobile industry, I am here to say that this year there is absolutely no reason to trade in your Ford for a new model. [*Laughter*]

The year 1976 is a very important, very critical year for this great country. It marks the turning point for our country as we enter the last quarter of the 20th century and begin the third century of America's independence.

It is good for us sometimes to take stock where we have been, where we are now, and where we are going as a people and as a nation. America has come a long, long way in the last 200 years. We have grown from a very small, poor, weak, and struggling collection of colonies to the greatest nation in the history of the world—the United States of America—and we are very proud of it.

We have come through wars, depressions, droughts, riots, assassinations, scandals, practically everything that fate can throw at America, but we have also enjoyed phenomenal economical, technological, and social progress in America. And that progress has made our way of life the envy of all peoples all over the world.

Despite all the problems we have had, I don't think any one of us would trade places with the people of any other country in the world today.

We hear some talk these days about America being in a state of decline. We hear that America's best days are behind us. We hear that America is only a second-rate power in the world today. Frankly, I am tired of hearing those who would run down America.

I am proud of America, and I am proud to be an American. I know that each and every one of you feel exactly the same way. I believe in this country. I believe in its values, its traditions, its institutions, its people. I believe deeply in America's future.

We have the capacity in this country to do just about anything we set our minds to. America today remains the best hope of peace, the strongest guardian of freedom in the world, in the globe, and we are pursuing a policy of peace through strength, and we are going to keep it that way.

I can assure you that America's defense capabilities are fully sufficient to keep the peace, to deter aggression, to protect our national security and our freedom. And let me assure you once again, without any hesitation, qualification, or equivocation, we intend to keep it that way.

But America's strength is measured by more than armaments alone. America today is the greatest agricultural power, the most prolific producer of food and fiber in the history of mankind. I want to see the family farm survive in this great country. I want to make it easier for people to pass on their farms, the product of many years of hard work, love, and faith, to their sons as well as to their daughters. I want to make it easier to keep those farms in the family, rather than sacrificing them to the tax collector.

I have proposed two measures to help promote that result: First, a proposal that Congress act to stretch out estate tax payments at greatly reduced interest rates over a 25-year period and, second, I have proposed an increase in the estate tax exemption from \$60,000 to \$150,000. We need that kind of action.

These proposals, if enacted, would help not only family farms but family businesses as well. Family-owned businesses, like every other segment of our economy, suffered very heavily in the worst recession in 40 years. But thanks to some strong, commonsense policies at the outset of the recession and thanks to the determination and the courage of the American people, we are working our way out of this economic difficulty.

With one favorable economic indicator after another pointing the way, we are on the road to recovery and to prosperity in America, and we are picking up more and more speed every day.

One of the main reasons this recession hurt us as much as it did was our dependence on foreign energy sources. Price increases, as we all know, in 1973 quadrupled the cost of foreign oil. Our dependence on foreign oil was too great then, as I recall 30 or 31 percent, and that dependence cost us a great deal more than the long lines at the neighborhood gasoline stations.

It cost us hundreds and hundreds of thousands of jobs, billions of dollars in production, increased inflation, and many, many months of major economic problems. But the really shocking thing about all of this is that our dependence on foreign oil has actually increased since 1973, because the Congress, or a majority of the Congress, simply refuses to recognize either the urgency or the severity of this problem.

This is an oil country, I understand, around Conroe and Montgomery County, and you very fundamentally understand the problem. We in America need energy independence. We must have it, and we are going to get it.

The sooner we get the government regulations off the back of America's oil and natural gas producer, the sooner we will achieve energy independence for America, for 215 million Americans. And obviously, I say, the sooner the better.

Fifteen months ago, as Senator Tower and Congressman Wilson know, I recommended decontrol of oil and new natural gas prices. The Congress deliberated, delayed, debated, and dawdled all the way from January to December of 1975 and finally sent me an energy bill. Believe me, it was a long way from perfect, as John and Charlie know, but at least it was a start.

In that bill, the Congress agreed for the first time to remove control over oil prices. Unfortunately, the Congress insisted that full decontrol be carried out over a 40-month period. I indicated last December that I would order immediate steps to remove controls of petroleum products. I also pledged that I would use all of the flexibility available in that legislation to allow the increases in crude oil prices that are absolutely necessary to stimulate domestic oil production.

We have already sent to the Congress the plan for the decontrol of residual oil, and this decontrol plan will go into effect in a very few weeks. Plans are also being prepared to decontrol distillates and gasoline. We are moving in the right direction in this whole area, both to provide the incentives that we need and to reduce the control of the Federal bureaucracy over this great industry.

But my goal has been, will continue to be, the removal of all price controls from oil and new natural gas as the very, very best way to achieve energy independence for the United States of America.

Last week, obviously, I was very pleased that the Texas Independent Producers and Royalty Owners Association expressed its support for my efforts to achieve energy independence for America. I deeply appreciate that support from one of the largest and most influential petroleum associations in Texas.

Let me assure you, as well as them, that I intend to keep right on with these efforts for the next 4 years.

Furthermore, I will do all that I possibly can to see that government regulations and redtape do not enslave free enterprise and personal freedom in this great country. The heavy, heavy hand of government has found its way into too many areas of our national and personal life.

If there is one thing that we must never forget, it is that a government big enough to give us everything we want is a government big enough to take from us everything we have. We have the very best system of government in the whole globe. It is a system laid out with great care and paid for at great, great price by patriots yearning for freedom. It is a system that can be a powerful

instrument of progress and enduring peace, a source of strength and security. But it must always be a servant, never the master of the American people.

We want the freedom in this country to choose our own course and our own life, to chart our own future on our own terms without the government telling us everything we can and cannot do. The elections of 1976 will play an important role in deciding what course we chart for America's future. The future that I see is one in which we find all Americans living in dignity, security, in harmony, and in peace.

I see people taking pride in their work and finding pleasure and purpose and prosperity in their lives. I see an America which cherishes the old values of honesty, compassion, and determination and courage. I see an America which continues to stand tall and strong and free among the nations of the world.

I see an America which rises to its challenges, fulfills its responsibilities, and takes advantage of the opportunities for progress in every field of endeavor. These are my goals, and this is the reason why I ask for your help and assistance, your support on May 1, November 2, and in the challenging years ahead.

Thank you very, very kindly.

NOTE: The President spoke at 12:04 p.m. after he and Senator John G. Tower assisted in the unveiling of the dedicatory plaque for the park. In his opening remarks, he referred to Patrick George, president of the Montgomery County Chamber of Com-

merce and Rev. Charles Godbey, pastor, First United Methodist Church of Conroe.

Prior to the ceremonies, the President participated in a local parade in his honor while motorcading from Houston to the Conroe Town Square.

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Remarks at a President Ford Committee Reception in Conroe, Texas. *April 29, 1976*

IT IS great to be in this part of Texas and to see so many enthusiastic, so friendly supporters of Jerry Ford for the Presidency of the United States, and I thank you very much.

Did you know this is the second visit I have made to Texas in the last several weeks? We were down here earlier, we came back and started on Tuesday afternoon with a drop-by at Shreveport so we could get some good exposure in east Texas. And then we went to Longview and to Tyler, and we have been to Houston, and we are going to have 2 full more days coming down the road because we think that although we started as an underdog we have got the momentum going. I think we are getting awful close, and I think we might win next Saturday.

I was very pleased to meet the four delegates that are running as President Ford delegates, and I thank each and every one of them for being on the ballot, and we will do everything we can to make certain that they get elected. But let me say a word or two about all of you wonderful volunteers.

First, John Tower has been a “tower of strength”—if I can coin a word—because he has given the leadership, and his tremendous record of being the senior Senator from Texas certainly has been extremely helpful. And I want to thank John for his unselfishness and his great leadership on my behalf.

Secondly, I want to thank all of you for voluntarily volunteering your efforts to help in this very crucial election. And we consider the election on Saturday as crucial, if not more so, than any other election in all the 31 or 32 primaries. It is a very important date, an important date, I think, for the future of the Republican Party, an important date for the philosophy that all of us believe in and espouse, the kind of philosophy that can give this country in the next century the leadership, the progress, the strength, the freedom that we want for ourselves but, more importantly, to these young people who are here with us.

So, May 1 is an important date, I know you are dedicating a lot of time—you have made hundreds of telephone calls, you have talked to your friends, you have done everything—but we have got about 70-some hours left, and that’s when the final whistle blows. So, everybody you can get to the polls, everybody that you can convince to vote the right way could make a critical difference, for those four delegates, for our success in Kansas City in August, and for the success of our election process in November.

I know, after I get the nomination, I can win in November. And that means I can win against Hubert Humphrey or Jimmy Carter or any one of the other Democratic candidates. I don’t care whether they elect them or nominate them in the election process or they do it in the smoke-filled rooms in New York City when they get down there for their convention. We are going to win. But the crucial vote comes right here in the State of Texas, and so we want your maximum help.

But there is one thing you might use in talking to the many people you see from Montgomery County—I think we have had programs that have been successful for the good of America. As you can recall just a year ago, 12 months, we were in the depths of the worst economic recession in 40 years in this country. But by steady, constructive programs we have been able to turn that around. Instead of having inflation of 12 percent or more, for the first 3 months of this calendar year it is down to less than 3 percent. That is a 75-percent reduction in the rate of inflation, and that is progress by any standards.

And also, I think it is worthy of considerable mention, in the last year, from April or May to the present time, we have added 2,600,000 more people on payrolls throughout this country, so that as of March we had 86,700,000 people gainfully employed in this great country—an alltime record. And the Ford administration can claim the credit for it.

So, I think when you talk to your friends, by phone or in person, you have got something to sell—an affirmative, constructive record. And I promise you, as I said to all the good people of Conroe, that I think that our third century can be the greatest century in the history of America. And if we can have an opportunity to participate in the first 4 years of it, with a kind of leadership, we will be off on the right start.

Thank you very, very much.

NOTE: The President spoke at 1:30 p.m. at the Holiday Inn.

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Exchange With Reporters on Arrival at Waco, Texas.

April 29, 1976

AS YOU can imagine, I'm delighted to be here in Waco and to have such a wonderful welcome. And I'm delighted to answer any questions.

REPORTER. Mr. President, recently the Vice President apologized to the Senate for remarks that he made. Can you state that no Government agencies have been used to gather information on any political candidates and report back to the White House?

THE PRESIDENT. Absolutely. As far as I know, there is no effort whatsoever, and I have strictly said there should be no such effort by any Government agency.

Q. Mr. President, would you rather run against Hubert Humphrey than Jimmy Carter? Would he be easier to beat?

THE PRESIDENT. Gee, I really can't tell you one way or another. I think I can win in either case.

Q. Well, with all those statements you made about Hubert Humphrey, though, were you thinking at that time that he would be easier to beat?

THE PRESIDENT. No, I simply thought that the combined Democratic power-makers or dictators in the top echelon would probably end up putting Hubert in the top spot. But Jimmy Carter seems to have some momentum going that will make it very different, unless they go to a backroom, smoke-filled room situation.

Q. If the new FEC [Federal Election Commission] bill hits your desk next week, what would you do with it?

THE PRESIDENT. Well, they haven't sent it down to the White House yet, and they won't pass it until next Monday or Tuesday. And I learned a long time ago, dealing with this Congress particularly, I wait and see what the small print says, and when they get it down there and I take a look at it, then I will make a decision.

Q. Will Governor Connally be your Secretary of State or hold any other Cabinet position if you are reelected?

THE PRESIDENT. Well, I have said that Governor Connally is fully qualified to hold any public office in the United States. And after we get the nomination and after we win in November, we will take a look at the overall situation. He is certainly qualified for any position between now and November or after November.

Q. Mr. President, since we last talked with you, Senator Humphrey has announced that he is not going to enter in New Jersey. What is your reaction to this? Do you think it is a wise decision?

THE PRESIDENT. I wouldn't pass judgment on whether it is a wise decision or not. I think it appears to be a very practical decision, because Jimmy Carter got some tremendous momentum in the Pennsylvania primary. And unless the powers that be in the Democratic Party sit behind some closed doors in a smoke-filled room and broker Jimmy Carter out of it, why, I think, it looks to me like Jimmy has the odds in his favor.

REPORTER. Thank you very much.

THE PRESIDENT. Thank you all. It is nice to see you.

NOTE: The exchange began at 3:10 p.m. at James Connally Field, located on the Texas State Technical Institute campus.

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Remarks and a Question-and-Answer Session at Baylor University in Waco, Texas. April 29, 1976

Thank you very, very much Dr. McCall, Senator Tower, President Jay Wolfe, students, faculty members:

I'm really delighted to be here at Baylor University, the home of the Baylor Bears and its great coach, Grant Teaff, to whom I had the honor of presenting

the 1974 Coach of the Year Award from the American Football Coaches Association last year.

Baylor has a very great right to be proud of Coach Teaff, and I congratulate him as well as you. Now, before I go any further, to all of you CB'ers in the audience, I bring a special hello from First Mama—[*laughter*—]—and secondarily from First Papa, too.

But, I am deeply grateful to have the opportunity to meet with you today, and you know they say anything is possible in Texas. I always leave this great State with a great optimism and a very positive attitude. But, before I get to your questions, let me say a few words concerning the future of our country.

We have come a long, long way since the birth of the United States two centuries ago. Yet, we have a long way to go in the third and the fourth and on and on. We began our first century with a political experiment, a daring and a very unique experiment in the concept of self-rule.

Our first century saw the firm establishment of a free system of government, based on the right of the individual to determine his own destiny. That concept was carried into the second century of our great Nation and along with it, we transformed an underdeveloped country into the mightiest and the strongest and most productive nation in the history of mankind.

As we begin our third century, we should appreciate the wisdom and foresight of our Founding Fathers, and we should reaffirm the contributions as we confirm our efforts to secure lasting freedom, lasting peace, and lasting prosperity.

It is vitally important that we preserve the individual freedom of all Americans, but beyond that, we should strive to improve the quality of life for the individual. We must devise safeguards for the individualism of every American to protect personal freedoms in our individualities from the pressures of mass government, big or organized labor, from massive education, or massive communication.

We must not smother the individual expression and creativity that exists in each and every one of us, and we must not stifle individual opportunity. The opportunity that you have to pursue a higher education is a very, very important one.

But, what about the opportunities for a fulfilling career in a stable world once you leave this great university campus? My new budget for the Federal Government was designed to bolster our economy by generating new jobs, not make-work, dead-end Government-sponsored jobs, but jobs in the private

sector where five out of every six jobs exist and are available in this great economy, the free enterprise system of the United States.

These jobs in the private sector have careers attached to them. They offer you more than a temporary government paycheck. They offer you a future, they offer you a challenge.

Today, because we made some very tough decisions and stuck with them, we're recovering in this country in a strong and vigorous way from the worst economic conditions that America has suffered in a period of 40 years.

We are recovering, not because Government undertook to put every unemployed American on the Federal payroll but because we stimulated the great American private enterprise system to produce more goods, more services, more investments, and, as a result, far, far more jobs. They are genuine, long-term jobs generated by the demands of an improving economy, not by any quick-fix gimmicks by the Federal Government.

We provided that stimulation through my program of tax cuts for individuals to increase their purchasing power and tax incentives for business expansion and job production, not through massive new government spending programs. In fact, over the last 20 months, I vetoed 48 bills. Thirty-nine of those vetoes have been sustained and without weakening or threatening our economic recovery in any way whatsoever. And you might be interested to know that those vetoes sustained by the Congress will have saved the taxpayers of this country some \$13 billion. That's not bad. I know a little bit about the Congress. If they send any more of those wasteful legislative proposals down to the Oval Office, we will veto them again and again and again.

We now have more Americans on the job than we have had at any other time in the history of the United States, and all of this happened because the American people did not panic, because the great American system of free enterprise is working.

Finally, we must ask ourselves how can we ensure that your jobs and your hopes for the future will not be threatened by international events. Your lives are inseparably linked with the stability of the rest of the world. In a thermo-nuclear age there can be no lasting accomplishments without a lasting peace.

Here, too, we can be proud of our achievements, our accomplishments. Today, America is at peace, no Americans are in combat any place in the world, and I intend to keep it that way by the right policies.

We are meeting the active duty manpower requirements of the Joint Chiefs of Staff by an all-volunteer recruiting program without the draft. We are at peace,

and we will stay at peace because we are strong enough to keep the peace, to deter aggression, and to protect our national security.

Since I became President, I have recommended to the Congress the two largest military budgets in the history of the United States, the last one a 14-percent increase over the previous year. They were needed to make certain that our military capabilities continue to be strong in the years ahead, as they must be if we are to find the peace and the security that we all seek. I am determined, as I have always been, to keep America's military might unsurpassed by any other nation.

If I might extemporize for just a minute, it was a great privilege for me to serve in the Congress for some 25-plus years and probably the most challenging, the most interesting experience that I had in that 25 years was the opportunity to serve on the Committee on Appropriations where I served for 16 years. And 14 out of those 16 years I was privileged to serve on what we call the Subcommittee on the Department of Defense, and also the Subcommittee on Foreign Aid Appropriations. On the Department of Defense appropriation bill we used to start hearings—and I started them first back in 1953 and went through 1965 or '66—we used to start in January every year, and we would go 5 days a week, 5 hours a day, 5 months a year listening to Secretaries of Defense, Chairmen of the Joint Chiefs of Staff, all the Secretaries of Army, the Navy, and the Air Force, all of the top generals and admirals.

I think that subcommittee, composed of six Democrats and five Republicans probably knew more about the history and the facts and the figures and the policies and the programs and the personnel of the Department of Defense of any committee in the Congress of the United States—and we did this every year.

So, when I say to all of you wonderful young men and women that the military capabilities of the United States today are unsurpassed by any country in the world, I think I am qualified to say that with complete and total assurance.

You know sometimes when I hear critics complaining about American defense policy and American foreign policy, always complaining but never offering any program of their own, I am reminded of one of the finest Texans I ever had the privilege to know and serve with in the Congress of the United States. Sam Rayburn, who served as Speaker of the House longer than any person in the history of the House of Representatives—he served 50 years in the Congress with over 3,000 Congressmen and Senators and 8 different Presidents, Democrats as well as Republicans—at the end of a very long day, after he had worked very hard to make a better life for America, when he heard from the

chronic complainers, Sam Rayburn used to love to recall what his father once told him, and let me quote: "Any donkey can kick a barn down, but it takes an awfully good carpenter to build one up."

Now, as far as the national security, the policies involving our security, are concerned, I am convinced that the American people would rather have a President who is constructively seeking to build the foundations of lasting security than someone who spends most of his time trying to kick them down.

I invite you all, then, to join me in a journey to a challenging future, to walk with me on the path of peace and on the road to lasting prosperity, for there lies the honor and the achievement and the happiness for the United States of America and for the 215 million Americans that I am honored to serve and proud to lead.

It has been a great privilege to say a few words, and now I will be delighted to answer your questions.

Thank you very much.

QUESTIONS

THE ECONOMY

[1.] Q. Mr. President, hi.

THE PRESIDENT. Hi. How are you?

Q. I'm fine, thank you.

I know that getting inflation under control is one of your important issues, and I'm very firmly behind that. But you have also said that unemployment is going to have to increase in order to accomplish this goal. And this is rather frightening to me because I'm graduating and going to be out trying to find a job to support myself. What I would like to know is to what degree do you think unemployment is going to have to go in order to get inflation under control?

THE PRESIDENT. First, let me set the record straight. I never said that we could lick inflation by the process, for the need and necessity of increasing unemployment. What I said was that they are twin problems, and we can affirmatively attack both of them. And in my judgment, we can affirmatively be successful in winning against both of them.

Now, some of my critics, when I took some rather firm and tough action a year ago in January, said, oh, President Ford is going to whip inflation, but he's going to increase unemployment. Well, the facts are we have made substantial progress against both of them. And let me cite some statistics.

First, inflation: When I became President in August of 1974, the rate of in-

flation was 12 to 14 percent. The first 3 months of 1976, on an annualized basis, the rate of inflation for this country was under 3 percent. That's a 75-percent cut-back in the rate of inflation, and I think we should be darn proud of it.

I can vividly recall last April when my good friend Senator Hubert Humphrey was saying we're on the brink of a depression and when George Meany was saying there would be 10 million unemployed in this country, but we didn't panic. Unemployment went to 8.9 percent. It got up to almost 8 million Americans. But you know, since 8.9 percent we're now down to 7.5 percent, and the most important thing you are interested in is jobs.

Now, what has happened in this 12-month span? From last April to the end of March this year, we have increased 2,600,000 jobs in the United States, and we have reached the total of 86,700,000 jobs. More people were employed in the United States in March of this year than in any time in the history of the United States. So, when you graduate, you are going to have a lot better opportunity to get a job in June than you did last June.

REPUBLICAN PRESIDENTIAL NOMINEE

[2.] Q. Mr. President, I'd like to ask you this question, please, sir. You are currently leading Governor Reagan in the contest for the Republican Presidential nomination. In the event that Governor Reagan should win the Texas primary and then go on to win the Republican nomination, would you, as a loyal Republican, support Governor Reagan for the Presidency?

THE PRESIDENT. First, I don't expect him to win in Texas, and I don't—[*laughter*]*—it is going to be close, but I'm getting more and more optimistic. And I certainly don't expect him to win in Kansas City, so I don't think I have to worry about the question that you asked. [Laughter]*

REPUBLICAN VICE-PRESIDENTIAL NOMINEE

[3.] Q. Mr. President, my question concerns the '76 campaign. When you were campaigning in the Massachusetts primary, you hinted that Massachusetts' Senator Edward Brooke would be considered for the Vice-Presidential nomination. Now that you are campaigning in Texas, you have hinted that John Connally might be your choice. [*Laughter*]

My question is, who do you plan to suggest as your choice in the Indiana primary? [*Laughter*]

THE PRESIDENT. In Texas I have suggested that both Senator John Tower and John Connally would be good possibilities. [*Laughter*] But, let me say the Republican Party has a wealth of outstanding talent, some in the United States

Senate, like John Tower, some in the Governorships, some former Governors, some individuals in private life. I think we are very lucky in the Republican Party to have a wealth of talent that is available for the convention to make a choice.

When I say Ed Brooke is a potential as a qualified person, I mean it, and I'll say it right here in Texas. I don't back away from that, and when I'm up in Massachusetts, I will speak affirmatively about the possibility of John Tower and John Connally. If we had a couple of good Senators in Indiana, I will say something nice about them, too. [*Laughter*]

PANAMA CANAL NEGOTIATIONS

[4.] Q. Mr. President, Time magazine recently reported that Governor Reagan's interpretation of the ongoing of the Panama Canal negotiations was basically correct. And in a House subcommittee meeting, Ellsworth Bunker has reportedly said that we are negotiating right now to give away the Panama Canal.

Now, what I would like to know is, why is the United States giving away the Panama Canal when it is a major source of income for this country?

THE PRESIDENT. First, I think we have to be factual about it. The Panama Canal is not a major source of income for the United States. As a matter of fact, the United States pays the Government of Panama \$2.5 million a year for the rights to have the canal go through the country of Panama. That is a factual statement.

We don't get any revenue. As a matter of fact, it is a loss, and we pay Panama \$2.5 million a year for the rights that we exercise in Panama.

Now, I am not going to give away anything that involves our national security as far as the Panama Canal is concerned. But, let me just give you the situation as we approach the negotiations.

In 1964, there was a terrible riot in Panama and in the Canal Zone. Twenty Panamanians and four American GI's were killed. At that time, President Lyndon Johnson decided the wise thing to do was to sit down and negotiate with the Government of Panama to see if we could avoid that kind of bloodshed, if we could find a responsible solution.

Those particular negotiations have gone on, carried out by President Johnson, by President Nixon, and by myself. And those negotiations are an attempt to find a responsible solution so that the United States of America loses nothing in the capability to traverse or transit that canal, to use it along with all other countries, and for a long, long period of time, well into the next century, prob-

ably 50 years. We would have the right to maintain, to operate, and to defend that canal, which is more or less the expected economic utilization lifetime of that canal.

Now, my friend and my opponent in this Republican primary says—I have forgotten the word—but anyhow, in effect what he says, we should terminate negotiations that have been going on for 12 years in a responsible way. I can assure you that if those negotiations are terminated, you will have a resumption of rioting, unquestioned additional bloodshed. You will have a very serious problem maintaining the operation capability of that canal because it is easily subject to sabotage, so you will have to increase the U.S. Army contingent down there which is now 10,000 by at least another 10,000 and maybe another 20,000. And in the interim, you will have 26 Latin and South American neighbors and 309 million Latin and South Americans angry, antagonistic against the United States, all in this hemisphere. I think we ought to carry on those negotiations responsibly as we are doing. And we are going to maintain, as long as I am President, the necessary responsibility, the necessary influence to make sure that we don't give away one thing involving our national security.

U.S. INTERNATIONAL FOOD POLICY

[5.] Q. Hello, Mr. Ford. The problem of overpopulation and world hunger is no longer theoretical speculation but is an unfortunate reality. This country consumes a disproportionate amount of the world's food because we are fortunate enough to have productive, fruitful lands where other countries aren't so lucky.

If there is going to be a concerted effort to prevent millions of people from starving, we're going to have to be willing to give up some of our good fortune and spread it around. What should this country's responsibility be?

THE PRESIDENT. First, let me say that the United States of America is fortunate in more than having good land. We have got the most productive farmers in the history of mankind. And we have got the greatest economic system in the history of mankind. We have less than 6 percent of the population, and we produce, as I recall, some 30 percent of the food throughout the globe.

Now, I don't think that—well, let me just say I'm not a doomsayer. I have heard these predictions, these forecasts, these pessimists come up and say America and the world, we can't make it for another 50 years; I don't believe that. I am affirmative enough about the ingenuity and the drive and all the other things in this country to believe that we will surmount the problems in 10 years, in 20 years, in 30 years, just as well as our forefathers have in the past.

But, to get down to the food problem on a worldwide basis, I concede that it is a serious one, and that is why the United States in the current fiscal year is making available, under what we call PL 480 [Food for Peace], about \$1,300 million of rice, of corn, of wheat, and other agricultural commodities produced in the United States.

In effect, we're giving them away because of our productivity and their lack of knowhow, or their system, or whatever it is.

And another thing we can do aside from this annual contribution—and this is about the 20th year of the PL 480 program—about 6 months ago I approved a \$200 million contribution to the International Food Commission. It is a program that was established 3 or 4 years ago. A former president of Michigan State University that I am sure Dr. McCall knows, John Hanna, was the head of it. We are contributing \$200 million as a fund to be utilized by these underdeveloped countries that have the land but not the knowhow, so we can give to them the expertise and the capabilities that we have developed in this country.

So, between an annual grant of \$1.4 billion to the \$200 million that we have made available on my recommendation to give them a long-range capability, I think the United States is meeting responsibly its responsibility in this area.

U.S.-SOVIET RELATIONS

[6.] Q. Mr. Ford, I thank you for this opportunity for me to ask you a question that I have wanted to ask for several years now, and thought I never would be afforded the opportunity. I came with a list of questions to ask you about foreign policy in Vietnam and Panama, such as this. But, as I listened to "The Star-Spangled Banner," I was reminded, as I always am, of a trip I took to Moscow 2 years ago.

It was on this trip that I visited several Christian churches and talked with people in the streets who were afraid to talk to me because they knew I was a Christian. I sang "The Battle Hymn of the Republic" outside of Trinity Baptist Church in Moscow, and as we were singing a truckload of Soviet troops pulled around the corner and drove all the people in the church back in, just out of sheer fear.

I wore a wristband around my wrist for 2 years in high school of a man named Georgy Benz, who, when he was my age, was thrown in prison for conducting Sunday school classes in his neighborhood and is still in prison today.

What I'd like to know is why you continue the policy of selling wheat to an enemy which has constantly stood up against every Christian principle we have ever held in our country, has suppressed every Christian person and every

Christian young person in Russia? Why do you continue to let them bull their way throughout the world—in Angola, in Panama, where pro-Communists live—and especially in wheat deals?

THE PRESIDENT. Let me say that Mrs. Ford and I attended that same church in Moscow in 1968, and we were proud to go there as Americans who believe in God and made a commitment. We are proud of that, and we don't approve of the internal domestic policies of the Soviet Union. We don't agree with the domestic policies of a great many countries throughout the world, whether they are military dictatorships in one part of the world, whether they have a Communist form of government in another part of the world.

I think it's sad and tragic that out of 140 nations in the world today there are only about 25 of them that are democracies like our own. I think that's sad. And our job is to do something about it in a responsible and in an affirmative way. But, I don't think that we ought to go to war about every one of those problems, and I don't think you do either. If you are suggesting that the United States should start shooting every time we disagree with the internal domestic policies of a country, I just think that is wrong.

Q. I merely suggest that we expect the Soviet Union to concur as much with détente as the United States does and have as much integrity as a nation as the United States does. If they are going to back down on détente, then I feel that we should also.

THE PRESIDENT. Well, let me say as long as I have been President we have never backed down once from the Soviet Union, with one exception, when the United States Congress decided we couldn't do something in Angola against the policies that I had which would have challenged the Soviet Union, and we could have succeeded in Angola if the Congress had not lost its courage and will. So, that's not our problem.

DEMOCRATIC PRESIDENTIAL NOMINEE

[7.] Q. Mr. President, I am Barry Reno, and you're not. [*Laughter*] I just have a simple question here. Assuming that you receive your party's nomination this summer, who do you think would be the most difficult for you to beat in November—Mr. Carter or Mr. Humphrey?

THE PRESIDENT. Let me say you're not a suburb in Washington, D.C., either. [*Laughter*]

Alright, I think either Hubert Humphrey or Jimmy Carter would be very formidable opposition. In the one case, with Hubert Humphrey, he and I took the oath of office together back in January of 1948. He was a Senator; I was a

House Member. We have clashed ideologically for 25 or 28 years. He is on one side of the political spectrum; I think I am to the other side. So, a contest between Ford and Humphrey would be a good ideological confrontation. I think it would be healthy.

Now, Ford and Carter—well, we don't really know what Jimmy Carter stands for. [*Laughter*] But if he gets the nomination, we will darn sure find out.

JIMMY CARTER

[8.] Q. Mr. President, did you have the opportunity to read his position paper in the New York primaries that he handed out to the people there? I believe it was about 35 pages long, and it went into a little detail.

THE PRESIDENT. I read his foreign policy—all I am quoting in part is what some of my Democratic friends are saying about his position. And I have read his foreign policy speech which he gave before the World Council in Chicago, and it discussed all the problems, but it didn't offer any solutions. It talked about this area of the world and that area of the world. It was a very outstanding academic dissertation, but it didn't have to grapple with the day-to-day problems where you have to decide yes or no. Now, I think that's the problem he's running into when he talks about some of the other areas.

I listened to him explain. I didn't read about it; I listened to him explain his proposal for national health insurance with the Government in effect controlling the whole system. Well, I diametrically oppose that kind of a program.

Q. Mr. President, I am Susan Phillips, and in all probability Jimmy Carter will get the Democratic nomination. Do you think that it is going to be a tough race because of the statement he made concerning "ethnic purity"?

THE PRESIDENT. As I said a moment ago, I think a contest between myself and Jimmy Carter will be a very tough race. I always assume in any competitive situation, you know, if you prepare for the worst, the best will take care of itself. So, I assume it is going to be tough.

Now, let me just make a comment or two about Jimmy Carter's comment concerning ethnic purity. First, I would not under any circumstances use that term because that term doesn't describe any of the policies that I have or any of the policies of my administration.

Secondly, I have the job at the present time where I have to uphold the law. The Constitution says that we must give each and every individual an opportunity for quality education, for the opportunity to live and work where that individual wants to. I think that is a mandatory prerogative in this country. The Supreme Court has said it; it hasn't backed away from it. At the same time,

I think we have to recognize that there is a great benefit of diversity in this country. Diversity is one of our strengths in America.

There's an old saying, you know, that the beauty of Joseph's coat is its many colors, and that may be the strength of America.

WHITE HOUSE STAFF

[9.] Q. Mr. President, I was wondering if you have done anything to ensure that the men on your White House staff cannot supersede the power of Haldeman or Ehrlichman,¹ and is your White House staff larger or smaller than that of President Nixon's?

THE PRESIDENT. To answer the last question first, when I became President, as I recall the figures, there were roughly 540 employees on what we call the White House staff. That staff is now 485, so it is less than what it was under my predecessor's guidance.

Number two, my staff is first selected by me. So I know them, I know the kind of people they are, and secondly, there is no one boss. I exercise that power. And I have an excellent staff where there is a contribution by many, and so no one person is going to have the kind of authority that I think contributed to the problem that existed and which ended in August 1974. So, I think we have the kind of people, we have the kind of an organization, and we have fewer of them, so we are in a lot better shape.

REASONS FOR SUPPORTING PRESIDENT FORD

[10.] Q. Mr. President, we appreciate your taking the time to be with us this afternoon. And as the concluding question, I would like to ask about what you think makes you a better candidate for students to support?

THE PRESIDENT. Well, I think students such as yourselves ought to take a look at the candidates and see which one has a proven record. And if you approve of that record—and I hope you will—I think students as well as other Americans ought to exercise their sacred privilege by voting for that person who has a record, who has experience, who has achievement, and when I look—and I try to be objective, certainly the facts and figures justify it—we have done a first-class job in trying to achieve a successful, prosperous, and healthy economy. Nobody can doubt that, and that ought to be important to students.

It is a proven record, and when you look at the fact that we took the responsibilities or the reins of Government in August of 1974 when the world was

¹ H. R. Haldeman, Assistant to the President, and John D. Ehrlichman, Assistant to the President for Domestic Affairs, during the Nixon administration.

uncertain, as well as many Americans, about the future of this country—and we have reestablished the best relationship that this country has ever had with Japan, with the NATO countries in Western Europe. We have made more progress in the Middle East under this administration in settling the volatile, controversial, complex problems in that area, where we have been able to get Arabs on the one hand and Israelis on the other, who have been fighting four or five wars in the last quarter of a century—we have been able to get Egypt and Israel to sit down and settle a Sinai II agreement.

When I look around the world and see the progress we have made with allies, where we are trusted and where our adversaries respect us and where we have peace and the capability to keep it, if I were a young person, that is the kind of a record that would appeal to me. I hope it does.

Thank you very, very much.

NOTE: The President spoke at 3:52 p.m. in Waco Hall. In his opening remarks, he referred to Dr. Abner V. McCall, president, and Jay Woolf, student body president, Baylor University.

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Remarks at the Waco Suspension Bridge in Waco, Texas.

April 29, 1976

Thank you very much, Mayor Smith, Senator John Tower, Mr. Conger, all of you wonderful people of Waco:

Let me express my appreciation for the opportunity to be here on this very historic occasion and to see so many friendly and hospitable faces. It's just a great occasion, despite this Michigan weather—not Texas weather.

But it's nice to be here. And I am very proud of the fact that you in this great community have taken this fantastic bridge that I read a bit about before I got here—completed in 1870, a tremendous engineering project over 100 years ago—and to see it as we drove up and to be here as we stand now, I think, is a tribute to your forefathers, their vision, their foresight to have something like this over this great river, the Brazos River.

But now, let me say I want to compliment every one of you, because by seeing the beauty of this bridge and preserving it for future generations, making it a part of this great complex, you're developing out here—Indian Center Park, is it?—I think this generation of leaders, this generation of citizens in Waco deserve also congratulations and commendation.

So, I thank you for the chance to be here. I thank you, Mr. Mayor and Mr. Conger. I'm deeply grateful. Good luck, and God bless every one of you.

Thank you very much.

NOTE: The President spoke at 4:45 p.m. after turning the ceremonial shovel which broke ground on the city's Bicentennial restoration project, involving Waco Bridge.

In his opening remarks, the President referred to

Mayor M. A. Smith of Waco, Senator John G. Tower, chairman of the Texas President Ford Committee, and Roger Conger, chairman, Waco Bicentennial Commission.

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Remarks at a President Ford Committee Reception in Waco, Texas. April 29, 1976

FIRST, I want to thank Senator John Tower for the wonderful job that he has done as the chairman of the President Ford Committee for the great State of Texas. John, you have done as fine a job there as you have done as United States Senator for the State of Texas.

And then I would like to express my deepest appreciation to these four fine people from your congressional district who are running to support me in this forthcoming election on May 1. I thank each and every one of you, and, obviously, I wish you the very best.

I had a wonderful experience here in Baylor—or in Waco, just in the last hour or two. I went over to Baylor University. They made an ex-Wolverine a Baylor Bear. [*Laughter*] And you know, you didn't treat us very well up there in Ann Arbor last fall. [*Laughter*]

But it was a great game, and we're going to have—the game ended in a tie, I guess; that was about as thrilling a ballgame as we had. And so, I want to thank all of you from Baylor and all of you from Waco for the hospitality and the friendliness and the very warm welcome that I have received.

Now, let me take a few minutes. I have had the privilege and pleasure to shake hands with a good many of you and wish you well and thank you for coming here. Within the next 48 hours, probably less, some very major decisions will be made here in the State of Texas. And those decisions, at least as far as the Republican Party is concerned, can be major decisions as to the future of this country.

I am honored, privileged to be here in Waco and to present myself to you and to talk affirmatively about some of the things that we have done that I think have been constructive in the 20 months that I have had an opportunity to be your President.

Let me refresh your memory, if you will—boy, I can remember it—back in August of 1974. There was a great apprehension in this country following a very tragic and unfortunate situation. People were lacking in confidence in their government in many respects. Around the world, our allies were apprehensive about future U.S. leadership. Our adversaries, on a global basis, were uncertain as to what they should do or what they could do. And at home we were faced, as all of you know, with roaring inflation at a rate of 12 to 14 percent, and we were right on the brink of the worst economic recession in 40 years. And then, of course, almost instantaneously, we had unemployment soaring and employment plummeting.

It took the best advice I could get and the strongest action that I could undertake to set this country on the right course domestically. And I think when you look at what has happened and transpired, with inflation down from over 12 percent to less than 3 percent for the first 3 months of this year, a 75-percent reduction in the rate of inflation, and where you see employment going up and unemployment going down, I think this administration can claim some credit and deserves a chance to give this great country the same kind of policies in the years ahead for the next 4 years.

Now, let me take just a minute, if I might, to talk about where I think we are as a country with our military capability and our foreign policy. There has been some criticism and, fortunately, in this country we can disagree without being disagreeable. We can have very sharp differences. I can have one judgment; somebody else can have the other.

But when you're talking about national defense policy—if I could take a minute or two to give you some credentials that I think are important, that I happen to have—in the 25 years that I served in the Congress, 14 of those years I was on what we call the Defense Subcommittee on Appropriations, which was a committee that from January to June or July spent 5 hours a day, 5 days a week interviewing, interrogating, investigating Secretaries of Defense, Chairmen of the Joint Chiefs of Staff, admirals, and generals.

They used to come and go like Greyhound buses before the committees. In a period of 14 years, I had some experience in U.S. defense policy, U.S. defense programs, the procurement of weapons systems, what we were doing at home, and what we were doing abroad.

And let me say that in my judgment, with the experience and with the advice and counsel of the Secretary of Defense and the current Joint Chiefs of Staff, the budget that I submitted to the Congress this year—a 14-percent increase over last year, the biggest defense budget in the history of the United

States—we will keep, if Congress goes along, our unsurpassed capability militarily to meet the challenge, to deter aggression, to protect our security, and maintain the peace. That's the kind of a defense capability we have and we're going to keep.

Let me say, you have to judge a policy on the basis of whether it is successful or not. We were looking over the records the other day—I am the first President seeking election or reelection in the past 20 years who can go to the American people and say our policies have been so successful, the United States is at peace—confirm the policies that we have undertaken.

Isn't that the aim and objective—peace and the maintenance of our precious freedom which we have today and we are going to keep tomorrow and every day in the future?

Let me make a commitment to you. Since I became President, this has been our firm commitment with the American people: I would never promise anything that we can't deliver, and we will deliver everything that we promise.

I believe I have been the most effective President in challenging a Congress, which is controlled 2 to 1 by the liberal element of the other political party. I vetoed 48 bills, and 39 of them have been sustained. That's not a bad batting average in any league and with the sustaining of those 39 bills, or those vetoes, we have saved the taxpayers of this country \$13 billion. That's action. That's success.

Another criteria by which you can judge the qualification of a President, I think, is whether he can act decisively and again act successfully. Just about a year ago, you may recall the *Mayaguez* incident, where some international bandits from Cambodia seized an American merchant vessel. This country, after proper warning, after seeking to get diplomatic success—I decided that the only way we could handle the matter was by affirmative, decisive, direct action. And we got the *Mayaguez* back, period.¹

And one final observation, if I might. As we look back for the first two centuries of this great country, in the first 100 years of American history our forefathers fought to get independence, and then they struggled hard to give us the kind of a government which is unmatched anywhere in the history of mankind. Maybe it is not perfect, but if you compare it with any other kind of government that has ever existed, I think we are darn proud of it.

The second century of American history gave us, through our individual initiative and through the free enterprise system, the opportunity to make America the most dynamic industrial nation in the history of the world.

¹ See 1975 volume, Items 256, 257.

But now it seems to me, as we enter our third century, we have to make sure that the rights of the individual—that means you and you and you and everybody else—must be protected, that the rights of the individual should be freer in this third century than in any other period or time in our history.

That is what we want, and that is what I will dedicate myself to for the next 4 years with your help and assistance.

Thank you very much.

NOTE: The President spoke at 5:34 p.m. in the Brazos Room at the Waco Civic Center.

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Exchange With Reporters on Departure From Waco, Texas.

April 29, 1976

REPORTER. Mr. President, I understand today that you said that it was time for America to forget about President Nixon. Are you going to continue that policy if you are reelected, too?

THE PRESIDENT. Well, Mr. Nixon is a private citizen and—

Q. If he goes to China again, would you want another report from him?

THE PRESIDENT. Oh, well, I don't anticipate that he will.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 6:05 p.m. at James Connally Field, located on the Texas State Technical Institute campus.

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Exchange With Reporters on Arrival at Dallas, Texas.

April 29, 1976

THANK YOU, Bob. I want to congratulate you, Bob, for winning a great victory for the mayorship of Dallas. And I congratulate you and wish you the very, very best in a very important responsibility, in handling the good affairs of the city of Dallas, and I know you will with great success.

I do want to thank Tom Landry,¹ who I have known for a good many years and envied and respected, because I think Tom epitomizes the finest in American competitive athletics. It's nice to see both Tom and Mrs. Landry.

And then it's nice to see Mary Ellen. I have seen a lot of very beautiful young

¹ Head coach of the Dallas Cowboys football team.

ladies in the State of Texas in the last 2 days, and it's nice to meet Miss Texas. Congratulations, and best wishes to you.

With those observations and comments, I would be delighted and pleased to answer any of your questions.

May I say with the deepest gratitude, I'm delighted to be here in Dallas and to be, at this time, with Mayor Bob Folsom. And I am delighted, of course, and highly honored and pleased with the endorsement of Tom Landry for my candidacy for the nomination, as well as the Presidency of the United States, and thank you very, very much, Tom.

I would be glad to answer any questions.

REPORTER. It's been said that you will ask Congress to repeal the Byrd amendment.² Why did you wait so late to ask Congress to repeal, and what type of effect will it have on other countries? Will you ask them to also buffer up the sanctions on that amendment?

THE PRESIDENT. Well, I think, first, you have to understand the factual situation. When I was in the House of Representatives as minority leader, when I became President, I have consistently believed that the overall benefits of the repeal of the Byrd amendment overcame any reasons to retain the Byrd amendment. So, I haven't changed my position. I have been consistent for a long, long time, and I hope and trust that the Congress will do so.

Q. President Ford, you are reported as saying that the Nation will be better off as soon as it forgets Watergate. Do you think that's a self-serving statement since obviously the Republican Party will be better off as soon as the Nation forgets Watergate?

THE PRESIDENT. Well, I think that that was a very unfortunate period in American history, a real tragedy, and I think we have more important things to think about in the future than to be concerned and distraught by some of the problems that occurred in the past.

As a personal matter, I think the record is very, very clear. When I was nominated for Vice President, 400 FBI agents spent better than a month checking my record from birth to my age, and they found nothing that had any connection whatsoever with the Watergate affair, nothing. And then two committees, one in the House and one in the Senate, investigated, interrogated me, and came to the conclusion I had no connection whatsoever with Watergate.

Then the Senate and the House as a whole, by overwhelming votes, confirmed me, clearly indicating that in their opinion—and I want you to remember it

² An amendment introduced by Sen. Harry F. Byrd, Jr., of Virginia, originally adopted in November 1971, which prevented the importation of Rhodesian chrome into the United States.

was a Democratic Congress—overwhelmingly they confirmed me by a substantial margin. So, I think as far as I am personally concerned, I have no connection whatsoever with the Watergate, period.

Q. Mr. President, earlier today you said that John Connally had good reasons to remain neutral in the primary. Could you tell us what those good reasons are?

THE PRESIDENT. Well, I assume since John, who is a very good friend of mine, has decided not to endorse me or to endorse my opponent, he had good reasons. I think you will have to ask him for the reasons that he has not endorsed either me or my opponent.

Q. Does the addition of Coach Landry indicate any last-minute change in his strategy? [*Laughter*]

THE PRESIDENT. Well, I have known Coach Landry and respected him, not only as an outstanding football player but probably one of the outstanding coaches in the national professional league in the history of that league. So, I feel very, very fortunate that a man of that stature, a man of that great respect in Texas, as well as elsewhere, has endorsed me. I'm just very grateful.

Q. Mr. President, earlier today you said you could confirm the gist of the Woodward-Bernstein book, "The Final Days." I wonder if your confirmation includes such things as the characterization and description of your Secretary of State and his relationship with the former President? It described Mr. Kissinger as despising the former President and working with him anyhow.

THE PRESIDENT. Well, the investigation by the FBI of my record, the investigation by the two committees in the Congress—the House and the Senate—involved me and my record, and they found that I passed the test without any problem. They didn't get into the relationship of other individuals to anybody else in the administration.

Q. So, in confirming that the gist of the book was true, you are not confirming that.

THE PRESIDENT. No, I was only confirming my personal experiences in those latter days. And as far as I had any personal observations and personal connections, it was strictly a business relationship where the President told me at one time that he was going to step aside, and it was strictly a man-to-man conversation.

Q. So far, have you been pleased with Kissinger's outcome of his trip in Africa?

THE PRESIDENT. Yes, I think that Secretary Kissinger has gone there, at my direction, one, to reaffirm this country's belief in the right of self-determination

of any country, including the United States—that, of course, is how we became a country—and secondly, that under any and all circumstances this country stands for the full protection of minority rights.

At the same time, the Secretary has clearly stated to all of Africa that the United States does not believe that any foreign powers outside of Africa should seek to dominate Africa. Africa should grow and prosper and strengthen itself by its own efforts, with the broad help and assistance of a number of the more developed nations of the world. So, the Secretary has carried out my directives, and I think our relationship with the nations of Africa have been considerably enhanced.

REPORTER. Thank you.

THE PRESIDENT. Thank you all very, very much. It's nice to see you. It's great to be back in Dallas.

NOTE: The exchange began at 7:09 p.m. at Love Field.

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Remarks at a Rally in Dallas, Texas. April 29, 1976

Thank you very, very much, Ray Nasher, and thank you, Mrs. Nasher, my good friend Senator John Tower, your fine mayor, Bob Folsom, "Miss Texas," Mary Ellen Richardson, ladies and gentlemen:

I'm honored and privileged to be here in the North Park Mall and to have an opportunity to speak directly to so many of you from the great city of Dallas.

But before we go any further, as a former football player a good many years ago, I know how much a winning team depends on a great coach. And here in Dallas, you have one of the greatest coaches in the history of football. You all know who I'm talking about—Tom Landry of the Dallas Cowboys.

Yesterday, Tom Landry announced his support for my campaign. And all I can say to Tom is, with his help and the help of many, many more concerned Texans like him, we are going to win on Saturday, May 1. But we are not only going to win on Saturday, May 1, here in Texas; we are going to win in Kansas City; we are going to win November 2 and go right on winning for America for the next century.

When I became President about 21 months ago, our great country, the United States of America, was faced with some very serious concerns. Runaway inflation and recession both threatened our economic strength and the stability of

America; international tensions threatened the peace in many, many areas of the world; a crisis of confidence in our own Government and in the basic institutions of our society threatened the promise of a 200-year American experience. It was a bleak, depressing picture. It was a time that called for strong, affirmative action.

Twenty-one months later, the results are there for all Americans to take pride in and for all the world to note. Our national economy in the United States is growing stronger and stronger, more prosperous and more prosperous every day. Both the business community and your own families can plan ahead with a new-found certainty and a new-found security. The economic indicators are pointing day after day after day to better and better news as far as this country is concerned.

Almost every segment of our society, of our economy is rebounding in a strong, dynamic, encouraging way. We are on the road to a new prosperity in America, and we are not going to be sidetracked now by anybody, period.

Let me point out a few of the facts and factors that make this country strong and our future great. Employment has gone up—86,700,000 Americans are working today, and that means more Americans are gainfully employed right now than ever before in the history of the United States. It also means that we have gained over 2,600,000 jobs in the last 12 months, and this is progress by any standard.

Unemployment, it's going down—not as fast as I would like, but it's moving again in the right direction. And I'm not going to let up in fighting this unemployment problem until every American who wants a job can find a job. That's what we want.

During 1974, inflation was raging at an annual rate of more than 12 percent. But the Department of Commerce—and this is the best news we have gotten—announced just last week that the Consumer Price Index rose at an annual rate, for the first 3 months of 1976, at the lowest rate in 4 years—less than 3 percent. We have cut the rate of inflation in the last 20 months 75 percent, and that is progress, and we are going to make some more.

But what is more encouraging is that the consumer sentiment index—how you and your family and your neighbors look at the future—is double that of a year ago. Real earnings for the average American worker have risen significantly, well above the rate of inflation, and that means that your purchasing power is on the increase.

We have achieved this economic recovery through the commonsense steps that I initiated at the outset of the recession—tax cuts for individuals, tax in-

centives for business expansion and job production, and extended income cushions for those unfortunate Americans that were out of work. The price of America's economic recovery was not a new round of double-digit inflation; it was not another frustrating experience with wage and price controls, nor was it billions and billions and billions of extra dollars from the Federal taxpayer.

I think you know where I stand on the question of unnecessary Federal spending. As Senator Tower knows, I vetoed 48 bills since becoming President—and I want you to listen to this because it's very critical—in 20 months I vetoed 48 bills sent to me by an irresponsible Congress, and I vetoed those bills because I knew they were wrong. And the Congress of the United States has sustained 39 out of those 48 bills that I vetoed, and the net result—and this is what's meaningful to all of you—we have saved \$13 billion by those vetoes. And let me add a postscript, if I might. I will continue to veto those extravagant spending bills again and again and again and again.

As I look around this wonderful audience and see husbands and wives and wonderful citizens from the great city of Dallas, I know that each and every one of you have to keep your own financial house in order. And you have every right to expect that the Congress of the United States will do exactly the same thing with the Federal Government, and if they don't, you know what to do November 2.

Now, if we can hold the line on Federal spending, if we can keep the budget-busters in the Congress under control, let me make you a promise; it's a promise that I will keep during the next 4 years. If we can keep the budget-busters in Congress under control, with your help we will give you another major tax decrease within the next 2 years.

In order for us to have the kind of economy that we want, I think we have to get tax reduction; we have to have a holddown on the rate of growth of Federal spending. And what does this mean? It means more jobs for more Americans. And I want those jobs to be in the private sector, where you who work have a permanency, an incentive. And we all know that five out of six jobs in this country are in the private sector. Those kinds of jobs give you a pride with the paycheck. We want a sustained economy in America not only a goal for each of you but a goal for this country.

But economic progress is not the only progress that we have made. Today, America is at peace. Today, there are no Americans fighting in any place in the world whatsoever, and I will keep it that way.

I believe firmly in peace through strength. We will stand tall and strong and keep our powder dry so the United States can negotiate from a position that commands respect and invites cooperation from our adversaries.

I have taken firm, firm steps to ensure that our alliances are strong, our commitments are worthwhile, and our defenses are without equal. I have proposed the two largest defense budgets in the history of the United States, reversing a trend that was reducing our defense expenditures year by year to levels that were dangerously low.

The price of our national defense may be high—but let me speak very personally to each and everyone of you—the price of freedom is one Americans have always been willing to pay in blood, in sacrifice, and in treasure. We are no less willing to pay that price in America today to keep our Nation secure.

But America's security rests more than on armaments alone. Our ultimate strength is the spirit, the love of freedom, the pursuit of justice, the commitment to progress which Americans have shared for 200 years.

We live in a nation that is the envy of the world and, frankly, I am darned sick and tired of hearing from some people that America is on the downgrade. It isn't true. I believe in America, as you do. I believe in its strength, as you do. I believe in its purpose, as you do. I believe in its goodness, as you do. And most of all, we believe in what we stand for. We can be proud, we can be proud that we are Americans, and we are proud of America.

Working together, you and I, we can look to an even brighter future for our children and their children. We can see an America in which all men and women live in dignity, in security, in harmony, and in peace. We can see people taking pride in their work and finding pleasure and purpose in their lives.

We can see an America in which government is the capable servant, not the master of its people. We can see an America which cherishes those wonderful old values of honesty, compassion, determination, and courage. We can see an America in which those great dreams that we have all had will come true.

That's my goal. And that is why I am asking for your support in the challenging years ahead, so that I may have an opportunity to serve each and every one of you with strength, with support, with dignity, and success.

I thank you very, very much.

NOTE: The President spoke at 8:10 p.m. at the North-park Mall. In his opening remarks, he referred to

Mr. and Mrs. Raymond D. Nasher, owners of the mall.

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Remarks and a Question-and-Answer Session at a Public Forum in Dallas. April 30, 1976

Thank you very, very much, Ed, Senator Tower, Mayor Folsom, Russ Perry, Tom Unis, Tom Landry, our distinguished guests, ladies and gentlemen:

It is a great privilege and a very high honor for me to have the opportunity of participating in this meeting of the Dallas Chamber of Commerce. Many of you may have been in the audience a few weeks ago when I spoke to the SMU [Southern Methodist University] Business Management Seminar at the Fairmont Hotel. If you were, you know that I am pretty optimistic about the economic recovery underway in the United States today.

Furthermore, there has been more and more and more good economic news compared to last year and I'm reading about it more and more and, frankly, liking it better and better. And, I think, so are 215 million other Americans.

With the help of some very commonsense, down-to-Earth policies that I initiated at the opening of the recession—such as policies for tax cuts for individuals, tax incentives for business expansion and job production, and extended assistance for those Americans who lost their jobs during the recession—the American people today are working their way back to prosperity after the worst recession in 40 years.

We are celebrating our Bicentennial Year with more cause for hope, more reasonable expectations of economic progress than even the optimists would have dared to imagine just a few short months ago. It's very encouraging to know, as we look back over the past 12 months, that the American people did not panic in the face of adversity and the American private enterprise system did not fail to respond to one of its greatest and most complex problems. For that, some 215 million Americans—including all of you in the Dallas area—have my congratulations and my thanks and appreciation.

As I indicated a few moments ago, every week now we are hearing more and more good economic news. Just last week it was announced that the gross national product for the first quarter of 1976 rose at an annual rate of 7½ percent. The Consumer Price Index for the first quarter of this year rose at the annual rate of only 2.9 percent, the lowest rate of inflation since the summer of 1972.

Eighty-six million seven hundred thousand Americans are today at work, and that means more Americans are gainfully employed in March of 1976 than

ever before in the history of the United States. Considering where we started from, I would say that's a pretty good comeback.

New factory orders in February totaled over \$90 billion, and new orders for durable goods in March increased by a very impressive 6.5 percent over the previous month. Real earnings for the average American have increased very significantly in recent months. The index of consumer confidence, which is a vital criteria by which we judge the future, is double what it was a year ago.

The list could go on and on, but even good economic statistics get boring after a while.

But let me emphasize one thing: These statistics are not political fiction; they are hard economic facts, and they're pointing us on the road to a new prosperity in the United States of America.

Now, there are some politicians—who shall be nameless, I hope, and winless tomorrow—[laughter]—who say that the economic recovery isn't real. They say it's an election year illusion and the roof is going to fall in after the election in November. But the truth is that this recovery is not based on any Government-imposed wage and price controls or make-work Government employment jobs or massive new Government spending.

I have consistently and firmly and, I think, constructively fought attempts by the Congress to impose on our wonderful economic system such quick-fix gimmicks. In fact, over the last 20 months, I have vetoed 48 bills sent to me by the Congress; 40 of those vetoes have been sustained, and those 40 vetoes will save the American taxpayers \$13 billion.

And I think it ought to be mentioned, in addition, that some of those vetoes which I sent back to the House and the Senate, they knew in advance they couldn't override so they never brought them up. And let me mention one of those vetoes which, I think, is of some interest here that falls in that category. And it's the veto of the common situs picketing bill, which I was very happy to veto about 6 months ago.

I think the record is very clear. I am committed to holding Federal spending to the lowest possible levels. With your help we can achieve a balanced budget in fiscal year 1979 and I will veto in the future any of the additional spending bills that the Congress sends me. I will veto them again and again and again and I hope in the process the Congress will learn what they can do and what they can't do.

When you come right down to it, I think, we can honestly say that this recovery is not based on the shifting sands of political expediency but on the solid rock of the American free enterprise system. And that is the reason that our good

economic news will last in the future beyond this election, and we expect for many, many years to come.

The first thing that we must do is to realize that the serious problems that have plagued our economy for years cannot be solved overnight. Despite what some politicians say or would have us believe, there are no quick fixes, no magic potions, no easy answers to the complex problems of the world's most dynamic and the most complex economic system.

The best estimates are that we will need 18 to 19 million new jobs in America within the next 10 years, and the vast majority of these jobs must come from the private sector. The facts are that 5 out of 6 jobs in America today are in the private sector, and in order to give these 18 or 19 million young people, primarily, a job opportunity, we have to give the private sector the greatest incentives that we possibly can. And that is what this administration has done and will continue to do for the next 4 months [years].

The American businessmen—you are the best job makers in the history of this country and the challenge of the future is greater than any one of us have faced before.

I happen to have with me a copy of the Humphrey-Hawkins bill, supported by all but one of the opposition candidates. It's not the answer, and I can assure you that I will oppose it all the way because it is the wrong direction for the American economy to go.

By conservative estimates, we will need at least \$4 trillion in new capital investments over the next 10 years, including a trillion dollars for energy development itself to keep pace of a strong and growing economy in America. Increasing government control, increasing government taxes, increasing government spending, will not solve the long-range problems of the American economy; they would only add to the problems that we have today.

What we really need in the future, and what I propose for the future, is a major revitalization of personal initiative and private investment in America. This initiative, this investment, this freedom is what made America great in the first place, not a bureaucracy-bound Government in the Nation's Capital. And it is this freedom that will make America greater still in the third century of our independence.

This is what you want and what I want, and this is what we have to fight for together.

Thank you very much, and now I will be delighted to answer any of your questions.

QUESTIONS

DEREGULATION OF NATURAL GAS

[1.] Q. Mr. President, I'm Joe Walker from Merrill Lynch. Would you comment on the prospects of deregulation of natural gas in the current session of Congress?

THE PRESIDENT. As most of you know, in January of 1975 when I submitted to the Congress and to the American people my State of the Union Message, I included my recommendations for the deregulation of domestic oil production by April 1 and the immediate deregulation of new natural gas.

Earlier this year, over a year later, the United States Senate passed a modified version of what I proposed. I wanted total deregulation of new natural gas, but they passed a bill that I supported because it was the best we could get through the Senate—the Bentsen-Pearson bill—that would be acceptable. We made a massive effort to try and get the House of Representatives to go along with a comparable piece of legislation, a bill sponsored by Representative Krueger of Texas.

We supported that. Again, it wasn't perfect, but it was a major step in alleviating the current situation. Tragically, it lost by three or four votes in the House of Representatives—the House substituting a Smith bill, which was a step backward rather than a step forward.

So, we're now at an impasse—a Senate bill which I support and a House bill which I oppose. We are trying to find a way to mesh them to find a compromise, but I have to be honest with you and say that the House bill is so bad I see no possibility of getting affirmative action.

And the sad part is, we lost by 206 to 203 as I recall—unbelievable. So, the prospects right now are not encouraging. It's a sad and tragic situation, but we're going to keep putting the pressure on.

I don't understand people who want to continue what we've had, which is the regulation of interstate transmission of natural gas. We have got to do something to provide an incentive, and if so, we have got to get rid of regulations.

I pledge to you, as I have tried since I have been President, to try and get rid of that legislation which hamstrings us, which hurts us. But right now the prospects are not encouraging. We have to get some new faces in the Congress, that is the problem.

SMALL BUSINESS

[2.] Q. Mr. President, I'm Walter Durham, president of Mesbic Financial Corporation here in Dallas. We strongly believe in this private sector initiative you're talking about. Our company is owned by 56 Dallas banks and corporations, and we're in the business of helping small businesses. We've helped a young man in a wheelchair expand his business with financial assistance. We've helped create the fifth largest black-owned business here in Dallas. We've helped create the first Spanish language radio station owned here in Dallas. We have done a job that's been recognized nationally.

Senator Tower is well aware of what we are doing. Russ Perry sits on our board; Dick Gallon of American Petrofena.

Unfortunately, we are regulated by the Small Business Administration, Mr. President. And for 6 years those regulations have hampered our ability, and in the last few months the trend has been worse.

I was on Capitol Hill 3 weeks ago testifying on Senator Tower's bill, which the SBA opposed.

My question is simply this, sir: [*Laughter*] By way of background, for 18 months we have attempted to bring this to your attention through ordinary channels, and I appreciate the opportunity to do it now. Can we visit with you, or will you take some initiative to help us in the private sector operate efficiently and economically to do this job and work within the confines of the free enterprise system and not be hampered by the Small Business Administration?

THE PRESIDENT. To be honest with you, I don't understand why SBA should be hampering and hurting your efforts along the lines that you suggested. And I must admit, I was not familiar with the request that you had to discuss this matter with me.

I'm going to be spending all day with John Tower, and if Senator Tower's bill achieves or accomplishes what you suggest, I certainly will talk in depth with John Tower about it during the day. And I have nothing but the highest respect for John Tower in the legislation he opposes or sponsors.

So, you will have an effective voice with me all day long, and we will find out what's the problem, and we will try to do something about it.

MANDATORY RETIREMENT AGE

[3.] Q. Mr. President, I'm Helen Jane Wombolt from WFAA television. On your 62d birthday I sent you a letter congratulating you for being such an outstanding example for people who are in their sixties. [*Laughter*]

THE PRESIDENT. You don't have to remind me of that. [*Laughter*]

Q. But I do. You're running for reelection, and if you win, look forward to a nice term without any thought of people asking you to retire in the next 2 or 3 years because you will be 65. So, that's my question.

Has any thought been given to the idea of extending the mandatory retirement age in the business sector to perhaps 68 instead of 65? Mandatory, I say, because there are some who look forward to 65 and retirement, but there are some who are, as the senior citizenry becomes more physically fit, not only disappointed but they have nothing to look forward to but retirement and social security.

And this brings me to the point. If there were an extension that way, there would be 3 years where that sector of the population would still be paying into social security instead of taking away from it. And at the end of that 3 years, they would have turned back a maximum salary into the economy instead of the minimum amount the social security presents.

THE PRESIDENT. I don't believe that the Federal Government ought to decide what the private sector wants to do about retirement. If a business organization has individuals over 65 that can contribute significantly to their operation, I don't think Uncle Sam ought to tell them those individuals can't work for that company.

That is again an illustration of what the Federal Government ought not to do, and I oppose that kind of interference in this area just like I have traditionally over 27 or 28 years of public life. I vigorously oppose the Federal Government telling businessmen at one level or another that they should do this or not do that. For the Federal Government to tell people they have to, on a mandatory basis, retire at 65, I think, is ridiculous.

I feel great at 62, and I expect to feel great at 66 or 68. And I don't expect to retire on January 20. [*Laughter*]

U.S. FOREIGN POLICY

[4.] Q. Mr. President, my name is Wayne Reed; I'm with Hudson and Hudson Realtors here in Dallas. My question concerns détente. Russia's stated objective is to bury us. Their system doesn't work, and we continually bail them out. They couldn't feed their people in 1973, 1974, and we bailed them out by selling them grain. We furnish them with technology to help them close the gap. We need oil, and they won't sell it to us. It seems like to me this is a one-way street. Would you comment on this?

THE PRESIDENT. For a period of 25 years or thereabouts, we had a policy in this country, under Democratic as well as Republican Presidents, of a cold war, both with the Soviet Union and with the People's Republic of China. And dur-

ing that span of time two things happened: We had the war in Korea; we had the war in Vietnam. And in addition, both of those economies, despite our cold war attitude, improved their economic status. Obviously, that policy didn't prevent war, and it didn't prevent them from increasing their capability.

It seems to me that a policy of negotiation is infinitely better than confrontation, and I think we can point to some success in that regard.

Number one, by being able to talk and to negotiate, the United States has had a very, very successful effort in the Middle East. Because we were not confronting the Soviet Union, but we were able to work with the Arabs on the one hand and the Israelis on the other—and I know something personally about that—both of them trusted us. We were able to make significant headway in the progress toward a permanent and a fair and equitable settlement in that very controversial area of the world.

Now, if we had been in the cold war situation that existed for 25 years, the United States couldn't have moved into the Middle East and worked out the Sinai agreement, which is a major step forward, because the Soviet Union would have confronted us as they had over a period of 25 years.

So, it's my judgment, using one example after another, that if we are willing to negotiate, not giving up anything that involves our own national security, it's a lot better than going through the kind of tragedy that we had over a 25-year cold war period. It just makes more sense. And I defy anybody to say that the United States has given up anything that involved our national security as far as the Soviet Union is concerned, except Angola, and that wasn't my fault—that was the problem of the Congress that turned us down.

RIGHT-TO-WORK LEGISLATION

[5.] Q. Mr. President, my name is Bill Roach, I'm vice president and general counsel of Texas Instruments. My question this morning is, in the event Congress were to enact legislation repealing section 14(b) of the Taft-Hartley Act which, as you know, would eliminate the Texas right to work law, would you invoke your power to veto on such legislation?

THE PRESIDENT. I certainly would. Ever since I was sworn in to the Congress on January 3, 1949, I have consistently taken the position that section 14(b) must be a part of our labor-management legislation. And that's not so easy in a State like Michigan. [*Laughter*]

Q. That's right.

THE PRESIDENT. It's a lot more difficult than to say it down here in Texas—

Q. I used to live there.

THE PRESIDENT. —because in the congressional district I represented, there were 35,000 UAW-CIO-AFL families, and I took that issue to them every time for 13 elections. And I would not then and I will not now approve of the removal of section 14(b) from the Taft-Hartley or labor-management legislation.

FEDERAL AID TO CITIES

[6.] Q. Mr. President, I'm Dan Petty, assistant city manager here in Dallas. The New York City financial situation—that concerns us all. And we would like to have your views on the appropriate role and responsibility of the Federal Government in meeting potential situations such as New York City and other cities.

THE PRESIDENT. Let me say that the Congress has passed two pieces of legislation that I think will handle present and future problems where cities, through bad management, get into serious financial difficulties.

Number one, I recommended to the Congress that we amend the bankruptcy act so that if a city mishandles its financial affairs, it can go into bankruptcy just like a poorly managed company or a poorly managed individual in the handling of his or her or that company's financial affairs.

And believe me, that's a deterrent as far as cities are concerned because they don't like to go into bankruptcy, and I think it's sort of a roadblock to them.

Secondly, what we had to do—and I think wisely so—in the New York City situation was to make New York City, after a struggle of some 6 months, to pull itself up by its bootstraps.

Now, they have taken certain actions to put a ceiling on future pay increases, to get revision in their pension contracts with their employees, which were way out of line; to get some of the creditors to hold back on and to make some modification on the interest payments that were to be made by the city for those security holders.

They have taken some drastic action, including the State of New York putting more money up to help and assist them. They're going to modify the no-tuition situation for the city university. They've done a lot of things.

The only problem they had after they had pulled themselves up by their bootstraps was a cash-flow problem, and I suspect some of you businessmen know a little bit about the cash-flow problem. We finally agreed—and I think wisely so—and let me tell you why—that they could borrow from us on an interim basis with the agreement that they would pay us 1 percent interest over what our borrowing cost would be.

They borrowed money for the first 2 or 3 months. They have paid their first

payment back, and they have to pay everything back by June 30. They paid us back \$270 million, and they paid us back \$5 million in interest. So, it's a good deal for the Federal Government. They bailed themselves out. We're loaning them temporary money, and they're paying us interest on it, and Uncle Sam made \$5 million. That's not a bad deal for us.

LABOR UNIONS

[7.] Q. Mr. President, my question is simply this: You have a reputation for being an equitable person, and I would like to ask you if you agree that, from an equity point of view, labor unions should be subject to the same antitrust laws as business—no more, no less?

THE PRESIDENT. The proposition has been raised that the antitrust law should be applicable to labor organizations. There is a great deal of controversy on it. There are many people in the business community who don't believe that is the right way to approach the situation.

I personally feel that this whole matter ought to be reviewed in the light of the expansion of a number of our labor organizations and the powers that they now seem to have in the economic field.

And I would hope that such a study and an analysis on an updated basis would be undertaken both by the executive branch and the Congress. We can't just have the views of the past as we meet the problems of the future. But it's not unanimous in the business community that that should be done.

So, we ought to get the best minds in both management, as well as labor, and take a look at it from the point of view of the executive as well as the Congress. As long as I feel that way, I don't think I should prejudge the decision-making. But I would like to remind the people here that I have strongly supported the Taft-Hartley Act. I have strongly supported those who would fight repeal. I strongly support the improvements that were made in 1958 of the Landrum-Griffin bill.

So, my views are not any great sympathy for some of the things that I see done by major unions. But I think we ought to take into consideration the diversity of views even in the business community, and we will by such an undertaking.

ANTITRUST LEGISLATION

[8.] Q. Mr. President, I'm Hazel Hoffman; I'm an attorney here in Dallas. I understand that recently you wrote to Minority Leader John Rhodes objecting to the so-called *parens patriae* concept in antitrust legislation, which would allow State attorneys general to bring large, treble damage lawsuits on behalf

of the residents in their States. You said that *parens patriae* was properly a matter for State legislatures rather than for Federal legislation. My question is, do you still hold that view?

THE PRESIDENT. Well, I strongly feel that the Federal Government should not turn over the prosecution responsibilities to State attorneys in 50 States. I think if there are violations of our antitrust laws, the prosecution ought to be undertaken by the Department of Justice. I don't think we should at the Federal level give this responsibility to a State official who can or cannot use it for his own political benefit.

I think that the Federal Government ought to assume the responsibility and not turn such a major responsibility over to State officials. I think that is a wrong concept, and what I said to Congressman John Rhodes I reiterate here today.

Q. Would you veto that kind of legislation?

THE PRESIDENT. If that came down as its sole or particular provision. But I think we have to recognize that that provision is a part of a number of proposed changes in antitrust legislation. I can assure you that if it comes down separately, there is no question about it. We will have to take a look at it when it comes down in a 50-page or a 25-page overall provision.

But my efforts right now are to get the House and the Senate to oppose and not to include that in any overall antitrust revision, and we were quite successful in the House. Now, the matter is before the United States Senate.

FEDERAL REGULATION OF BUSINESS

[9.] Q. I'm Alex Cochrane; I'm chairman of the board of the James K. Wilson Company retail stores here in Dallas. My question, sir, is what positive steps do you contemplate taking to continue your policy of less regulation of business by the Federal Government?

THE PRESIDENT. I have had three meetings with the top people on the various regulatory commissions. I think there are 11 of these regulatory commissions—ICC, FCC, FTC, et cetera. And in each case—well, in the first case, I said that this administration's aim and objective was to get those commissions to do something affirmatively on their own to reduce their regulations and to eliminate many of the obsolete or obsolescent rules and regulations that they have.

And I told them that I wanted within the next 6 months, as I recall, a report, and I would meet with them again. Just about 3 weeks ago I met with the chairman and the second ranking member of each of those commissions, and I got a report from them. It's not as good as I would have liked, but it is progress.

And I again instructed them that I wanted some additional progress in their efforts to do what they could to eliminate some of these out-of-date rules and regulations.

Secondly, I met with the Democratic and Republican leadership of the Congress and urged them in the Congress to work with me to amend or eliminate some of the legislation that is on the statute books which mandates that the executive branch do this or do that or this.

The Congress has to cooperate and then, in addition, we have sought to, or we have worked with the Office of Management and Budget to get them to get the various agencies of the Federal Government to eliminate 10 percent by July 1 the paperwork that all departments require of citizens and business throughout the country.

I got an interim report about a month ago and actually there has been a reduction of 4 to 5 percent since I gave the order that there be a reduction and by July 1. We are going to make certain that there be that 10-percent reduction in the paperwork that is thrust upon the American society.

Now, in addition, I have met with the Cabinet, because many of the departments issue regulations that I think are unnecessary and can be eliminated. And we are getting periodic reports from the department. We are making headway. It is not as much as I would like, but everybody in the Federal Government, in a position of responsibility, knows what my view is, and they better perform.

Q. Mr. President, this will be the last question.

THE PRESIDENT. Can we have two more?

PANAMA CANAL NEGOTIATIONS

[10.] Q. Mr. President, very recently Ambassador Ellsworth Bunker has testified to a committee of Congress that he had written instructions from you to negotiate on the Panama Canal and to turn over jurisdiction to the Panamanian Government, in about 3 years, the Panama Canal Zone.

Now my question is this: In view of the fact that most of us Texans—and I think most Americans—don't want to see us give up the Panama Canal because it is very important to our defense all over the world, essentially, I would like to ask you, can you give us any assurance that you won't allow the Panama Canal to slip away from us? After all, the American people bought the Canal Zone, they built the canal, they keep it up, and it is the only way that Soviet Russia will not have control of another very important waterway in the world.

THE PRESIDENT. Let me assure you that this administration will under no circumstances give up any right of transit, any national security interest as far

as the Panama Canal is concerned. But I want to straighten out the record concerning several things.

The 1903 treaty with Panama is quite a different treaty from, for example, the purchase of the Louisiana Territory or the purchase of Alaska. I was asked the question down at Baylor University yesterday, the young man said, "The Panama Canal brings us great revenue."

Well, that is completely and totally inaccurate because at the time of the first treaty, the United States agreed to pay \$250,000 a year for the right to use that territory, not in a sovereign way, but the right to use that territory, 10 miles wide and 51 miles long, for the construction and operation of the canal.

And let me say another thing, that I had to correct the record for this young man, was that that treaty has been revised a number of times, including the increase in the compensation that the United States pays Panama for the use of their land from \$250,000 a year. Today we pay Panama \$2,500,000 a year.

So, that treaty that was initially signed in 1903 has been amended a number of times. But let me say that following the bloodshed of 1964, a great Texan—I didn't always agree with him, I suspect many of you didn't—decided it was in the best interest of the United States to negotiate in order to avoid bloodshed in the future, in order to avoid antagonizing 25 South American and Latin American nations, including your border neighbor Mexico, and 309 million Latin Americans and South Americans and to permit that canal to be operated in perpetuity as long as it's a viable economic method of transportation.

He decided that negotiation was a lot smarter than having all of these other things take place. We negotiated from 1965 right until the present time, and any treaty that is signed will be of a maturity date 40, probably 50 years, which means 25 years in the next century when the size of that canal, the usability of that canal, the economic viability of that canal could be quite different from what it is today.

It will be over 100-some years old, and the transportation capabilities for the use of that canal could be quite different from what they are today. So, what makes sense to me and makes sense to two of my predecessors, that during the term of that 50-year treaty we, the United States, have the capability and the responsibility to defend it, to operate it, and to maintain it.

And I think that is a responsible position to take and that we are guaranteed after the end of a 50-year treaty the right for us and for all nations to use that canal. I think that is a responsible position, and as my opponent has said, he believes we ought to stop negotiations. I think that is complete and total irresponsibility because it will inevitably lead to bloodshed; it will inevitably lead to

guerrilla action that will stop the use of the canal now and inevitably it will antagonize our friends and neighbors below the border. And I think a better policy is to do what we are doing—negotiating. And, it's a policy that will protect our interest. And this President will never do anything to injure, harm our overall national interest in the Panama Canal.

AMERICA'S DEFENSE CAPABILITIES

[11.] Q. Mr. President, my name is Dwight Johnson. I go to Southerville High School, and I'm a student. I am in the student executive assistance program sponsored by the Chamber of Commerce and the DISD. My question is: Do you think our military power is at its best level to fully protect our Nation, and if not, do you plan to increase our national budget to do this in case of a national crisis?

THE PRESIDENT. Well, I've already taken the action in 1975 and again in 1976 to recommend to the Congress the necessary funding to make sure, not only last year but this year and the years ahead, that the defense capability of the United States is fully adequate to meet any challenges from abroad.

I recommended a year ago the biggest defense budget in the history of the United States, and I recommended this year again the largest military budget in the history of the United States—a 14-percent increase over the one of last year.

Now, let me take a minute, if I might, to discuss this overall problem.

For the last 10 years the Congress has cut \$50 billion from various Presidents' national defense budget recommendations, and the net result is that there has been a decline in the spending on a real dollar basis by the United States for our Army, our Navy, our Air Force, and Marines.

When I became President, as I indicated a moment ago, in the first budget that I submitted I tried to reverse that trend, and the budget that I submitted this last January, even to a greater degree, reverses that trend.

Now, the net result is, in trying to convince the Congress they should cooperate with us rather than hurt us, we have used certain statistics. We have used some of the statistics that my Republican opponent now quotes. Those are our statistics, not his. And we have also used some other statistics that provide a better balance.

It is true that the Soviet Union has 4 million men under arms and that we have 2 million men under arms. But if you look at the kind of forces that they have in the 4 million, you find that only about 2,200,000 are what we would call comparable to ours.

They run their railroads, for example, with their military. We don't. We depend on either private enterprise or Amtrak. [*Laughter*] But let me illustrate again what my opponent is in effect saying.

He says they—the Russians—have 4 million men under arms. We have 2 million men. Therefore, I gather he's saying that the United States ought to have 4 million men under arms. That's the only honest conclusion I come to.

Let me say this: If you go from 2 million to 4 million men under arms, the all-volunteer military service program goes out the window. You will have to go back to the draft. You can't double our men in the Army, Navy, Air Force, and Marines and stay with an all-volunteer military force.

If Mr. Reagan wants to go to 4 million men, he is in effect advocating the reimposition of selective service. That's a cold, hard fact, and I don't think that is what the American people want.

Number two, there isn't a single military leader in this country who has advocated any increase in our man-power strength of 2,000,001. The Chairman of the Joint Chiefs of Staff, the heads of the Army, Navy, Air Force, and Marines, they think our manpower strength is right. So, I will rely on them rather than somebody who says we should go from 2 million to 4 million.

So, when you add it all up, the use of certain statistics in a simplistic way is not the way to present our military capability. I could take ships—let's take a minute on that.

The statistics that my opponent uses say that they have got 1,250 ships and we have 500. But you know if you analyze what those 1,250 ships include, over half of them are what we call patrol craft or anti-minesweeping craft. They don't have any ocean-going capability that affects the capability of our Navy versus the Soviet Navy.

But then let's go to tonnage—and I don't know how many people here in this room served in the Navy in World War II—I served for better than 2 years on an aircraft carrier, most of the time in the Pacific—and it is tonnage and firepower that make the difference. And if you take our tonnage and our firepower, we have twice as much tonnage as the Soviet Union has, even if they include the patrol craft and the minesweepers.

So, you know, you are all realistic people; you deal with statistics. And people can take a part of a picture and with statistics point out a wrong conclusion, and my opponent has oversimplified the thing, taking only part of the statistical data. But let's talk about what we have.

In the strategic area we have more warheads than the Soviet Union has, by 2 to 1. We have more high performance strategic aircraft, the B-52's and we hope

to have the B-1. We have two to three times more than they have. Our missiles are far more accurate and far more reliable.

So, when you get the whole picture put together, I have complete confidence that our military capability is fully sufficient, adequate to carry out any mission, to deter aggression, to maintain the peace and to protect our national security. And we are going to keep it that way.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you all very, very much. It has been great being in Dallas, and we appreciate your understanding. And we will work hard to maintain our commitment to you, and I can assure you we won't let you down.

Thank you, very much.

NOTE: The President spoke at 8:58 a.m. in the Continental Ballroom at the Northpark Inn Convention Center. The forum was sponsored by the Dallas Chamber of Commerce.

In his opening remarks, the President referred to Edward O. Vetter, chairman of the National Affairs Committee, Dallas Chamber of Commerce; Senator

John G. Tower, chairman of the Texas President Ford Committee; Mayor Robert Folsom of Dallas; Russell Perry, chairman of the board of directors, and Thomas Unis, vice chairman of the board of directors of public affairs, Dallas Chamber of Commerce; and Tom Landry, head coach of the Dallas Cowboys football team.

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Exchange With Reporters on Departure From Dallas. *April 30, 1976*

REPORTER. How essential is the Texas primary to you?

THE PRESIDENT. It's a very crucial primary. It's a wonderful State. It's one of our largest States. It has got a wide diversity of people and industry. So, it's a great reflection of the United States as a whole. So, we are trying our very best to win, and we are, I think, making a lot of headway.

Q. Some people have said that the closing of air bases and several other things relative to military matters in Texas have hurt you. Do you feel that's so?

THE PRESIDENT. I don't think so because most of the people understand that the Congress has imposed on us by substantially reducing the funds for the military. So, the blame fundamentally falls on the shoulders of Congress.

It's nice to see you all. Thank you very much. We have enjoyed being here in Dallas.

Q. Do you think you are going to win in Texas?

THE PRESIDENT. Well, we are getting more and more optimistic, and our volunteers have done a great job all over the State of Texas. And leadership with

Senator Tower has been extremely helpful. And I think we have made tremendous progress, and we are very encouraged.

Q. Are you going to win?

THE PRESIDENT. Well, it's getting closer and closer. It's a good contest and I'm always optimistic.

Thank you very, very much.

NOTE: The exchange began at 11:40 a.m. at Love Field.

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Exchange With Reporters on Arrival at Lubbock, Texas.

April 30, 1976

IT'S NICE to see you all and to be in Lubbock again. Nice to see my very old and very good friend, Sarah McClendon [McClendon News Service]. But I think if any of you from the local press would like to ask any questions, I would be delighted to try and answer.

REPORTER. Mr. President, now that you are here at the airport, I would like to ask you if you know of any plans of the Civil Aeronautics Board to expand air flight service in Lubbock?

THE PRESIDENT. It is my understanding that those requests are before the CAB. Because that is an independent regulatory agency, I don't think it is proper for me to make any decisions for them. That is why they were established by Congress, to make an independent evaluation. And I am sure that the Board will actively consider and come up with a fair and proper decision.

Lubbock is a growing community. Lubbock is an important part of not only Texas but this part of the country. With the facts you have, I would expect you would do pretty well.

Q. Mr. President, Ronald Reagan this morning attacked your administration's economic policies by saying we are not having a sound recovery, that actually we have a very sick patient in America, and the only difference between New York and Washington is that Washington has a money printing press. Would you comment?

THE PRESIDENT. Well, I strongly disagree with the Governor's observations and comments concerning our economic recovery. It is a very inaccurate comment concerning how well we are doing. When you look at the fact when I became President 20 months ago, we had inflation of over 12 percent and then compare it with the rate of inflation for the first 3 months of 1976, which is a rate

of under 3 percent, we have reduced the rate of inflation by 75 percent. I am amazed that Governor Reagan wouldn't understand the difference between a 12 percent rate of inflation and under 3 percent. We have a sound, constructive, affirmative economic recovery for not only prosperity in 1976 but prosperity in the years ahead.

Q. Mr. President, the wire services are saying that you have now predicted a victory in Texas tomorrow. How did you come to that conclusion?

THE PRESIDENT. I haven't gone quite that far, but I have said that we were an underdog. We have made very significant progress in the last 10 days or 2 weeks. Our volunteers are doing a superb job. We are geared up with the last 36 hours, I think, since we have explained our programs for prosperity and our policy of peace in the United States, the people of Texas are responding to it. When they respond, I think we have narrowed the gap. And I think we have an excellent opportunity to win, and we are going to try very, very hard to do so.

Q. Mr. President, Mrs. Reagan was in town last night, and she was asked about your comments saying her husband doesn't have the experience to run the country. She countered that by saying he was elected twice by the largest populous State in the Union. Would you comment on that, sir?

THE PRESIDENT. It seems to me there is quite a bit of difference in running one State, as big as California is and as important as California is, and trying to coordinate and effectuate the policies for all 50 States in the Union. Now, a person who has had the experience I have had, not only as President but as Vice President, certainly has a background and a knowledge not only to handle our problems domestically—where we have made very significant headway in coming out of the recession, and we are well on the road to economic prosperity—and the experience that I have had in the Congress of handling military matters and foreign policy.

This is a different experience than being a Governor of a single State out of 50. So, when you add up the experience and the success of our policies, I think that voters of Texas will respond.

Q. To follow up, what do you think the effect of Mr. Humphrey's statements of yesterday is going to have on the overall campaign?

THE PRESIDENT. Well, I certainly can't judge that. That is primarily a Democratic Party problem at this moment. I think we will just have to wait and see.

Q. Mr. President, I would like to know, concerning your domestic policies, is there anything in your policies that, should you be elected, will have a direct effect on this area concerning the natural gas price regulations, independent trade before nations?

THE PRESIDENT. As I think the people of this part of Texas know, in January of 1975 I came out very forthrightly for the deregulation of domestic crude oil prices. I came out very strongly for the deregulation of new natural gas development. So, in this area my policies of deregulation for crude oil and for new natural gas ought to be very appealing.

And furthermore, the agriculture policies of the Ford administration I believe would be very receptively received here in this part of Texas.

We believe that the Government should get out of the hair and the field and the farms of farmers all over the country. We believe that farmers ought to be able to run their own farms without Government interference and without Government surpluses hanging over their heads.

We believe that the Ford policies in agriculture of selling overseas to the extent that we have sold and will continue to sell would be very appealing to agriculture in this part of Texas.

REPORTER. Thank you very much, gentlemen.

THE PRESIDENT. Thank you very much. It is nice to see you all.

NOTE: The exchange began at 12:09 p.m. at Lubbock Regional Airport.

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Remarks and a Question-and-Answer Session at a Public Forum in Lubbock, Texas. April 30, 1976

Thank you very, very much, Dr. Murray, Senator John Tower, Mr. Formby, Terry Wimmer, reverend clergy, students, faculty, and guests at Texas Tech University:

First, let me say to you, Dr. Murray, when I was looking at the schedule anticipating the arrival here at Lubbock, I speculated that I would probably be coming in in a duststorm. [*Laughter*] But I decided that it would be much better for me and for you if I brought some rain. [*Laughter*]

May I express my deepest appreciation and gratitude for the beautiful medal, which I will prize and cherish. And I thank all of you, not only Dr. Murray but the students and faculty and the board of trustees, for this wonderful, tremendous welcome, as well as the very thoughtful gift. Thank you very, very much.

Quite frankly, I can't tell you how good it feels to be a part of big, friendly Lubbock—the home of the Texas Techs and the sensational Red Raiders. You know you have so much going for you here in Lubbock, I just wish I could

stay long enough to see the Red Raiders game this afternoon, the rodeo tonight, and your great Coaches of the Year, the All American game on June 19—I would love to be here for that.

Before I go any further, to tell all you CB'ers out there, I bring a special hello from First Mama—and from First Papa, too.

I am looking forward to answering your questions. But as a starting point, let me tell you where I stand on two very vital issues for all Americans—agriculture and national defense.

As the State which produces more cotton, more cattle, and more grain sorghum than any other, just to mention a few firsts, Texas has played a major part in one of the most successful farming years in America's history. In fact, the last 2 years have been the highest net farm income years in history, and that is a very tremendous record in America's history.

I don't think it is mere coincidence that these very successful years have been years when the Government left the farmer alone. The Government let him produce without a lot of bureaucratic interference from the Nation's Capital. I can promise you that that is the kind of successful farm policy that I intend to pursue for the next 4 years.

Today, we have no longer any heavy farm surpluses hanging over the farmers market costing the Government \$1 million a day in storage fees. Instead of piling it up, we are selling grain at a record volume. And let me assure you I am not going to use America's grain as a pawn in this country's foreign policy.

Our farm policies and the hard work of American farmers yielded a \$21.6 billion agricultural export market last year, and it will be more than \$22 billion this year. We are working now to increase it even more.

Those policies, that hard work will enable the American farmer to export an estimated 47 million metric tons of feed grain, an alltime record in the current marketing year. This is a \$12 million more record than we exported last year and about \$7 million more than we exported in the previous record years of 1973 and 1974.

Our policies will enable the American farmer to export between 1.5 and 1.6 billion bushels of corn during this marketing year and between 250 and 300 million bushels of grain sorghum, another alltime record. And that's progress by any standard.

These are the policies which my administration has followed for the past 21 months. They have succeeded, and we can make them even more successful in the next 4 years.

But now let's turn very briefly to the subject of America's foreign policy and

defense policy, where this administration has put together a record of achievement that all Americans can view with pride and with confidence.

Today America is at peace. No American boys are in combat anywhere in the world, and I intend to keep it that way in the future.

We are meeting the active duty manpower requirements of the Joint Chiefs of Staff through an all-volunteer recruiting program without a draft.

Throughout my 27 years in public life, I have worked for, voted for the strongest possible military strength for America, and let me, if I might, give you some background.

Sometimes it is helpful to know whether a person has some experience, some know-how, some knowledge in a matter which he is talking about. Back in 1953 I was made a member of what we in the House of Representatives call the Defense Appropriations Subcommittee. It happens to be the subcommittee that is chaired at the present time, and has been for a good many years, by your fine Congressman, George Mahon.

I served on that committee for 14 years. And as George may have told you, from time to time that committee takes the Defense Department budget from the President of the United States, whomever it might be, and for 5 months a year, 5 days a week, 5 hours a day analyzes the testimony of Secretaries of Defense, Chairmen of the Joint Chiefs of Staff, Secretaries of the Army, Navy, Air Force, and Marines, admiral after admiral, general after general, civilian in authority after another. And when we got through, after those long and extensive hearings, it probably amounted to about 6 volumes of 400 pages of testimony.

Every year we would make our recommendations to the House of Representatives for whatever the programs, policies would be for our country's national security. And then with the background of that information and that experience and that know-how, I think it has been a great asset for me to be able to sit down now as the Commander in Chief and discuss with the Chairmen of the Joint Chiefs of Staff, the Chief of Naval Operations, and the other top people, not talk about them with no background but with an in-depth information about what is right, what is wrong, and what we should do and shouldn't do in national security matters.

But let me go on and say, since I became President, I recommended to the Congress the two largest military budgets in our Nation's history. They were needed to make certain that our military capabilities continue to be strong in the years ahead, as they must be if we are to find the peace and security that we all seek.

I am determined, as I have always been, to keep America's military might unsurpassed by any nation in this world.

You know, sometimes when I hear critics complaining about American defense policy and American foreign policy, always complaining but never offering any programs of their own, I am reminded of one of the finest Texans I ever had the privilege to know in the Congress of the United States.

Sam Rayburn served 50 years in Washington. He had more years as Speaker of the House of Representatives than any person in the history of our great country. He served with over 3,000 Congressmen and Senators, 8 different Presidents. And sometimes at the end of a long, long day, after Sam Rayburn had worked hard to make a better life for America, when he heard from the chronic complainers, he loved to recall what his father, another fine Texan, once said, and I quote: "Any donkey can kick a barn down, but it takes an awfully good carpenter to build one up." And that is good advice when we are talking about some of our matters today.

Now, as far as national security policies of the United States are concerned, I am convinced that the American people would rather have a President who is constructively working to build the foundations of lasting security than spends most of his time trying to kick them down.

We are at peace today, and we enjoy the blessings of freedom in this great land because we are strong enough to keep the peace, to deter aggression, and strong enough to protect our national security. And don't let anyone else tell you otherwise because it isn't true.

I know that in the course of a primary campaign, you have heard one charge after another about how America is a second-rate power, that we have lost our course, this great country, that we will have to turn the clock back to find America worth living in.

Well, frankly, I am sick and tired of people who run down the United States of America. I am very proud to be an American, and I am proud of our country, and I know that each and every one of you in this audience feels precisely the same way.

I have, as I am sure you have, a deep, abiding faith in the goodness and in the greatness of America. I look to the future, as I am sure you do, not the past—a future that we can fill with new glory and new achievement for the land that each and every one of us loves. That is my vision, and I am sure it is your vision. And that is why I am asking for your support tomorrow, next November, and in the 4 challenging years ahead.

Thank you very, very much. Now I would be delighted to answer your questions.

QUESTIONS

ENERGY EFFICIENCY STANDARDS FOR AUTOMOBILES

[1.] Q. Mr. President, I would like to ask a question about our energy problem. As you know, measures directed toward energy conservation and energy independence have not, on the whole, been very successful, and we are today importing more oil than prior to the oil boycott.

Our present energy conservation policy is largely an indirect one, and lately an increasing number of people have been calling for a more direct and more effective policy, namely, legislation to prohibit the manufacture or importation of automobiles weighing over a certain amount—say, 2,000 or 3,000 pounds—and with engines which are larger than a certain size—say, 150 to 200 cubic inches. How do you feel about such direct and certainly very effective measures?

THE PRESIDENT. First, let me say, to verify what you have said, we are importing more foreign oil today than we did prior to the October war in the Middle East. At that time, we were importing about 30 or 31 percent of our total oil used. Today, we are importing 40 to 41 percent, and it is going up as our domestic production goes down.

Now, the specific question you ask—should we ban the importation of foreign automobiles that would in effect use lesser amounts of gasoline per mile—I think what we should do and what we are trying to do and what we are being successful in doing is forcing our American automobile producers to increase their gasoline utilization efficiency. As a matter of fact, when you compare the 1975 cars over the 1974 cars, they increased the efficiency about, as I recall, 8 to 9 percent, and then when they went to the 1976 models, which you're buying at the present time, they increased that efficiency over the 1975 by about 13 percent. So, the American automobile manufacturers are increasing their efficiency, which means more miles per gallon.

I think that any imported car—any imported car—must meet the same efficiency standards that we established for our American manufactured cars, and if they do, I don't think we should arbitrarily exclude them from American customers here in the United States. But they must meet those standards that our people have to meet. And if you will recollect, the energy bill that was passed in 1974, as I recollect, did mandate that the automobile industry in a period of 5 years had to increase its efficiency by 40 percent.

I am told, after talking with the manufacturers in Detroit, that they are going to meet or exceed that efficiency record, and I think we ought to compliment them and not condemn them.

NATIONAL SELF-DETERMINATION

[2.] Q. Mr. President, my name is Michael VanHorn. And last year you signed the Helsinki agreement, which in effect has guaranteed the minority rule in 28 countries of Eastern Europe. Yet this week Henry Kissinger is traveling throughout Africa with all the might of the United States, asking for majority rule in Africa.

Now, is this a new policy since last year, or is this a Henry Kissinger agreement or something? Do we have two different standards for different continents or different people? I don't understand it.

THE PRESIDENT. Let me correct the record as to what transpired as to Helsinki. There was no document signed by me or anybody else that said that those borders in the East or West of Europe are to be forever those borders. Nothing was signed in that agreement which makes those borders binding forever. It says that those borders can be changed by peaceful change. That is what the document says. So, anybody who alleges that we agreed to maintain those borders, period, for the rest of mankind, that is an inaccurate statement. The accurate statement is the one that I have given you.

And let me add one other point. We believe, this administration believes that those Eastern European countries—Poland, Romania, Yugoslavia, Hungary—all of them we want to be autonomous, we want them to be independent of any domination by any other country, including the Soviet Union.

I went to Poland, to Romania, to Yugoslavia just to be certain and positive that those people in those countries know that the United States wants them to be independent, autonomous, and free from domination by any other country. That is our policy in Western Europe. We want them to have the right of self-determination, which brings me to the policy of South America [Africa].

The history of this country is one of self-determination. We achieved our independence by self-determination. That is the historical concept that America has believed in in 200 years. We believe in self-determination. We believe, however, that in the process of self-determination we must absolutely guarantee the rights of the minorities in any country where they do have self-determination, and we will insist in that regard in Africa as we well have tried in other areas of the world.

Another part of our policy in South Africa is that we want to make certain

that the Soviet Union and Cuba make no further advances than they have in Angola. We want to be there ahead of them.

THE FEDERAL BUDGET

[3.] Q. Mr. President, I would like to know when you are going to balance the budget? [*Laughter*]

THE PRESIDENT. The answer is yes, but, more importantly, let me tell you how. When I became President we looked back over the record of the growth of Federal spending and we found that for the previous 8 to 10 years there had been a 10 to 11 percent increase in the growth of Federal spending over that period of time, and this country can't afford to have that kind of rate of growth in Federal spending. In fact, when I sat down for about 100 hours last November and December to make the final decisions on the budget, I found that if we didn't change a law, but just kept the same laws on the statute books, didn't add any, we would have a \$50 billion automatic increase in Federal spending.

We decided that could not be tolerated. So we, in my budget that I submitted to the Congress, we cut the rate of growth of Federal spending by 50 percent, and I submitted to the Congress a budget calling for a spending ceiling of \$395 billion. And if Congress were to go along with that cut in the rate of growth of Federal spending, we could have a balanced budget for the United States in fiscal year 1979.

But what worries me—and let me now just talk about the reality of the thing—the Congress of the United States for the first time in history has to put together its budget. They have just passed in the Senate, and they are about to pass in the House, an increase in my budget from \$395 billion to \$415 billion or \$416 billion—about a \$17 billion to \$18 billion to \$19 billion increase. And furthermore, they have also increased the anticipated deficit by about \$7 billion.

So, what I am really saying to you is, we are doing our utmost to balance it and we will balance it and we promise to give an additional major tax cut in the process.

THE MIDDLE EAST

[4.] Q. Mr. President, I would like to ask this question: What is your position on our commitments to Israel?

THE PRESIDENT. First, let me say that one of the really significant achievements of this administration has been the fact that we have the trust of the Arab nations and the trust of the Israelis, and we have been very helpful in achieving the progress toward a permanent, just settlement in the Middle East.

Now, our commitments to Israel or to the Arab nations are that we will help

Israel so that it will have the military capability to survive and we will have enough for its security.

At the same time, we are trying to help Israel economically. Simultaneously, I think it is good foreign policy for the United States to help Egypt, a country which for 15 to 20 years had been under the control of the Soviet Union militarily and economically. They have cast the Soviet Union out of Egypt, and now we have an opportunity to help a nation of 50 million who got rid of communism and who are asking for United States help and assistance. I think we ought to be willing to help and assist that country, which has cast aside the domination of the Soviet Union.

FEDERAL PAY INCREASES

[5.] Q. Mr. President, I would like to ask a question concerning the defense—the military, about an increase, sir, on their pay above a 5-percent ceiling?

THE PRESIDENT. Let me discuss the question, which I think is one that ought to be discussed. In the budget that I submitted for the next fiscal year, I recommended a 5-percent increase in pay for the 2,100,000 men and women in the Army, Navy, Air Force, and Marines and also a 5-percent increase for all civilian employees of the Federal Government, and a cost-of-living increase for all those on social security, railroad retirement, military retirement, et cetera.

Now, the problem is—it goes back to the question that this young lady asked me a moment ago—we have to put some control over the increases in the rate of growth of Federal spending, and it seems to me when we are faced with the kind of deficits that we have had and as we try to achieve a balanced budget, that a 5-percent increase for military as well as civilian personnel for the United States Government, where they don't have the problems of unemployment once they become classified employees or once they become a part of the military, if they want to stay and make a career, they don't have any lapse in their pay, that a 5-percent pay increase in this 12-month period was the best we could do under these difficult circumstances.

I hope and trust the people in the military understand it because they are good Americans and they know what our financial and fiscal problems are.

Q. Sir, just one last question, sir?

THE PRESIDENT. Can we have one and then at least another one?

REGISTRATION OF GUNOWNERS

[6.] Q. My question is: Would you favor treating firearms like automobiles; namely, requiring operators licenses for their use off the owner's property in lieu of restrictive laws, permits, registration, and so forth?

THE PRESIDENT. Let me put it in my own terms. I am opposed to the registration of a gunowner. I am opposed to the registration of firearms, period.

B-1 BOMBER

[7.] Q. Mr. President, one last question, please. This is about the B-1 bomber—the B-1. It is being tested and flown, and if Congress brings it before you to go ahead and build them—and I believe a rough estimate, sir, is about \$3.5 billion per each and something like 200-plus of those B-1's—will you veto or will you go through with it?

THE PRESIDENT. We are in the final testing stage right now of the B-1 bomber. In fact, the Secretary of Defense, Don Rumsfeld, who is an ex-Navy pilot, went out and flew it.

But we are in the process, at this moment, of making the final determination as to whether or not to go into production and to buy 254 of them. In fact, I recommended in the fiscal year 1977 budget \$1,500 million for the procurement of the first B-1 bomber.

Everything that has been tested so far indicates to us that the B-1 bomber will pass the test and will qualify as a new version or an add-on to the B-52's, which are now flying 10, 15, or 20 years.

So, we have to have a new high performance, strategic aircraft, and the B-1 is the aircraft, if it passes the tests—and I am confident it will.

But let me, since you brought up the subject of defense, I think it is important to talk about facts and figures, and I think I have quoted the accurate facts. It is indicative that I know something about the details.

Well, a few months ago when my opponent came to Washington, D.C., to announce his candidacy, some of you here in Texas may not have had the benefit of listening to the press conference. This is right on the point of how much you know or how much you don't know about the facts.

A reporter at that press conference on November 20 asked my opponent how much he would recommend for a defense budget for the United States—and let me read the answer verbatim because it shed a great deal of light on this campaign.

He said, and I quote precisely, "I didn't say what I wanted to spend. You have put me in a position in which the answer is very difficult because I think only when you are in that position of command do you have access to all of the information that is necessary for making that decision and, obviously, I am not in that position and do not have that information at this moment."

Later on, another reporter asked him a somewhat similar question on defense

spending, and this is what his answer was in the area of defense: "One"—his quote—"One has always to face the fact that there are facts not known to you and which cannot be known to you because of its classification, and this always must be kept in mind as a reservation about any opinion that you might render."

My friends, I would respectfully suggest to you here today that any candidate who begins his campaign by saying he doesn't know enough about national defense to talk about it, and then, in the heat of battle, suddenly tries to make it the central issue, you can hardly expect the American people to take him very seriously.

ENERGY SUPPLIES

[8.] Q. Mr. President, I would like to ask you a question regarding our energy supplies. What is your view, sir, concerning the Federal Government in controlling both the sources and the distribution of our basic supplies, such as coal, oil, gas, and so forth?

THE PRESIDENT. Sir, in January of 1975, I recommended to the Congress total decontrol of domestic oil and total decontrol of new natural gas. Unfortunately, the Congress came along after 11 months and gave me the opportunity to partially decontrol and steps that I could use to decontrol over a 40-month period. I would have preferred total decontrol of both, but now that we have this law, which was marginally acceptable, I am using every provision to decontrol distillate fuels, residual fuels, and eventually gasoline as quickly as we can, plus every step in the 40-month period, so we can get rid of controls, period, and that is a pledge made to you and to the American people.

Q. Thank you, Mr. President.

NOTE: The President spoke at 12:50 p.m. at Lubbock Municipal Coliseum. The forum was sponsored by Texas Technological University.

In his opening remarks, he referred to Senator John G. Tower, chairman of the Texas President Ford Committee, and Clint Formby, chairman of the board of regents, and Terry Wimmer, president

of the student association, Texas Technological University.

Prior to his remarks, he was presented with a gold medallion bearing the seal of Texas Technological University by Grover E. Murray, president of the university.

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Question-and-Answer Session With Texas Technological University Students in Lubbock. *April 30, 1976*

THE PRESIDENT. First, it's nice meeting you, and second, I'm not going to make a speech because I have been doing that. So, why don't we just let you all handle it the way you want to.

QUESTIONS

COMMUNIST PARTY IN WESTERN EUROPE

[1.] Q. Mr. President, in view of the fact that there seems to be increasing influence of the Communist Party in a number of countries in Western Europe, I'm curious what the policy of the United States would be assuming the Communist Party came to power in a country like, for example, Italy, for instance?

THE PRESIDENT. That's a very good question, and I am quite surprised we have not had a question like that for some time.

I have said—I said it several months ago publicly, and when I met with the heads of the NATO nations in Brussels in May of last year, I said directly to them—that the United States could not understand or tolerate NATO being undermined if the Communist Party took over any one of the NATO members. It would totally change the thrust of what the NATO nations have been trying to do in Western Europe since 1951 when, under the leadership of President Eisenhower, we started NATO.

And of course, the Secretary of State has followed what I have said with his warning to some of these nations that are being challenged today internally by the Communist Party takeover in a proper, elective way.

But it is my view that it would totally change the thrust and the concept of NATO, because it was organized for the purpose of meeting the challenge of the Warsaw Pact nations in Western Europe, and to have a Communist government in one of the 15 members of NATO just makes it a totally different situation.

SOVIET INFLUENCE IN THE MIDDLE EAST

[2.] Q. Mr. President, do you see Russia's rule in the Middle East increasing?

THE PRESIDENT. Russia's rule where?

Q. In the Middle East.

THE PRESIDENT. No, I don't. As a matter of fact, as I said at the arena earlier, the fact that Egypt, under President Sadat, has terminated all military arrangements with the Soviet Union is a clear indication that the Soviet Union has lost ground rather than gained ground in the Middle East.

Egypt is the largest Arab nation, has the most people—I think it's 50 million—it has more territory. And to have Egypt decide on its own that it ought to terminate military arrangements with the Soviet Union and actually force their navy ships to leave the port of Alexandria, where they have had sanction for

many, many years, is clear indication to me that the Soviet Union has lost some influence in the Middle East.

ROLE OF STATE GOVERNMENTS IN PRIMARY AND SECONDARY EDUCATION

[3.] Q. Sir, I was wondering, do you favor some of the national standards for secondary education—to take the role of setting these standards out of the hands of the State governments—who we heard on the news recently—one State government who said attendance was more important than acquiring the verbal skills of reading and writing?

THE PRESIDENT. Well, I'm not familiar with that particular report, but I don't think the Federal Government ought to intrude on the rights of individual States to set the educational standards at the secondary level. I assume you are talking about high school and that area. When you say primary and secondary, that is what I assume.

I don't see any need for the Commissioner of Education for the Federal Government to step in and decide for all 50 States what the standards should be. That's one of those prerogatives that I think more properly should be in the hands of the proper authorities at the State level.

Q. Does that go for the primary schools as well?

THE PRESIDENT. Oh, sure, primary or secondary. I was only addressing secondary because I was asked that question, but I certainly would include primary as well.

BASIC EDUCATIONAL OPPORTUNITY GRANTS AND WORK-STUDY PROGRAM

[4.] Q. Mr. Ford, there are a few people in this room who have been involved with the National Student Association, the National Student Lobby, and also there are probably a few students in here that may be on the BEOG program and working on the college work-study program.

And as I understand, your administration is recommending a cutback in the college work-study program and an increase in the BEOG program for the upcoming fiscal year appropriations. Could you explain the reasons for that?

THE PRESIDENT. Yes, we did recommend a very substantial increase in the BEOG program, so to speak, and a relatively minor reduction in the work-study program. We think that the BEOG program, overall, with a ceiling of \$1,400, is the maximum that a person could get on BEOG and the average under our funding of about \$900 per student is the right approach.

Now, if it's of any solace to you, rightly or wrongly, I don't think the Congress is going to cut back the work-study program. So, whether I recommended

it or not, it is immaterial. I think it would have been better to go much larger on the BEOG's program and some minor reductions on the work-study program. But Congress, unfortunately, on one hand is going to cut back my recommendation on BEOG and continue the work-study program at about the same level.

It's a matter of priorities and where our people thought we could put the most money to the best advantage. But if they appropriate it, we will spend it, in this case.

Q. Will you approve of the additional supplements to the 1976-1977 BEOG programs that are in Congress right now?

THE PRESIDENT. We just sent up a very complicated readjustment in those four or five programs—BEOG, work-study, and there are several others—and this was worked out with the leaders, I think, in the House and the Senate, who have primary jurisdiction over that appropriation bill.

And quite frankly, if the one that I'm thinking of is the one you're thinking of, yes, I will go along with it because it was worked out as a compromise between what we proposed and what they wanted.

WATER IMPORTATION FOR LUBBOCK AREA

[5.] Q. President Ford, as you know, agriculture is the economic lifeline of this area and, as you probably also know, the water table here is being rapidly depleted.

What do you feel about water importation, and what are your ideas concerning that?

THE PRESIDENT. Well, I was talking to the editor of a local newspaper about that flying up from Dallas today. And we discussed the fact that about 10 years ago, the Corps of Engineers and the Bureau of Reclamation made a study as to the division of water from the Mississippi into here and, at that time, that study decided that on a cost-to-benefit ratio, it was not an economically feasible plan.

But it is a different situation today. For example, you can go back and compare the price of grain, corn, any of the other agricultural commodities 10 years ago, and they were significantly lower than they are today. And the problem has probably become more acute today with the all-out production that we are now having in agriculture.

So, it's my feeling that we probably ought to update that study. There are relevant facts that might make a change in whether or not such a project was feasible, and I am going to look into it. I think it's something that we ought to examine again, in light of present day circumstances.

Q. So you feel that plans will be made to try to update that survey?

THE PRESIDENT. That survey certainly ought to be updated based on current facts.

REFORM OF WELFARE PROGRAMS

[6.] Q. Mr. President, I was hoping that you could point out the differences to me between a Ronald Reagan social welfare program in view of yours.

THE PRESIDENT. Well, let me point out what I first voted for in the House of Representatives. In 1972, I voted for the family assistance program which I think, if it had been approved, would have been a great improvement over the present program. No question about it, because our welfare programs have developed over the years—going back primarily to the depression days, we piled one program on another without any real scientific approach to the overall. So, I thought the family assistance approach was a great improvement over what we had.

Now, it didn't get through, so we are faced exactly today where we were in 1969 or thereabouts. We have one of two roads to go. We can either try to improve, tighten up the existing programs, which are a hodge-podge, or we can go to an overall approach such as family assistance—I am not saying it is identical.

We are in the process right now, at the highest level in HEW and other affected agencies, trying to decide whether you can really sufficiently improve a hodge-podge program, or whether you ought to go to something like a family assistance program. And if after the end of this study—which probably will be completed the latter part of December—we will make a decision. But at the moment, I don't want to prejudge exactly what our approach ought to be.

I can assure you that we're going to try to put the emphasis, number one, on helping those who are in need, period. Number two, we are going to try and have a work incentive part of the program, which I think is basically sound. We are going to, if we could, consolidate the many programs we have that, really, I think, don't help the beneficiary but actually frustrate the beneficiary. So, those are some of the guidelines that we are trying to use in making a final determination.

QUALITY AND EQUALITY IN EDUCATION

[7.] Q. Mr. President, could you give us a general idea as far as what your priorities and your ideas are on guaranteeing an equal opportunity for an education and a quality education for America's young people, and include in that how you feel that busing fits into that particular scheme?

THE PRESIDENT. My overall thrust, whether it's primary, secondary, or higher

education is that of quality education. Now, the Federal Government is not the principal source of funding for education in any one of the three areas. It comes from local and State funding, primarily, but the Federal Government can assist, and we have assisted very significantly.

Now, at the primary and secondary level, we have had some serious developments going back as a result of the Supreme Court decision in 1954—the so-called *Brown* decision—where courts, in my opinion, have sought to apply a remedy, in some cases arbitrarily, and forgetting what the aim and objective is—quality education for all children—black, white, disadvantaged, and other.

Now, the Court had a tough job. I'm not discounting their difficulties, because they also have to protect the constitutional rights of all Americans. But as I look at some of these decisions around the country, I can't help but conclude that in some decisions they have gone so far to force busing to achieve racial balance as the way to achieve quality education, that it has torn up communities.

In other cases, wise judges have moved in cooperation with proper authorities, and I think we have gotten the ability to achieve quality education, protecting the constitutional rights of individuals. And the Federal Government can, in those areas, help with money, with some other top advisers—for example, in the Boston situation—the Department of HEW, the Office of Education has had five or six people up there trying to help resolve the problem in Boston. It got out of hand, tragically. But that's another way the Federal Government can participate in trying to give help and assistance, at least from the executive department's point of view.

Could we take two more questions?

EDUCATIONAL EQUITY FOR WOMEN

[8.] Q. Well, mine is along the same lines, as far as discrimination in schools, and that is, I believe there's a special project fact and part of that is the women's educational equity program, and that your administration is recommending somewhere under \$6 million and the present level was \$6.72 million this past year, and that certain educational organizations are pushing for around \$15 million.

Now my question was, then, since those were the only programs to eliminate sexism in higher education in schools for women, why, for cutting pennies to balance the budget you would be pushing for a decrease in the amount of money under that program?

THE PRESIDENT. You are a very ardent persuader. [*Laughter*] But you know when a President has to sit there and listen to all of the requests for all of the

money from all of the departments, there are some very able people, like you, who say, "Now, don't save \$7 million, we need it," and I—somebody has to make those decisions.

But let me say, that's not the only program. You know the Department of HEW issued title IX regulations, and those regulations, if carried out, I think will really achieve significant, affirmative action in trying to accomplish what you are really seeking to achieve. Now, that's not a unanimous program, as I am sure you understand. There are some who strongly oppose it.

But HEW took the initiative, and they are seeking to implement it, and I don't really think—without getting into it personally—that that dollar difference will have a significant adverse impact on what you are trying to achieve.

POSSIBILITY OF SEPARATE DEPARTMENT OF EDUCATION

[9.] Q. Have you ever thought of creating a separate department for education, at the Cabinet level?

THE PRESIDENT. Well, that's been discussed, pro and con. We have an outstanding Secretary of HEW now, David Mathews, formerly the president of the University of Alabama. I have talked to him about it—and here is an educator—and, if I properly reflect his views, he doesn't think we ought to have a separate department of education.

Q. Mr. President, in an age of increasing complexity and which demands split-second decisions, I was just curious about what brand of skis do you use? [Laughter]

THE PRESIDENT. Well, I use Rossignols most of the time, but I also use K-2's and use some others. I don't think the skis make much difference to me. [Laughter] I'm just lucky to stand up.

It's nice to see you all, and thank you, and the very best to all of you. It's been a pleasure to be here at the campus of Texas Tech. And you know, Michigan almost would have played Texas Tech in the play-offs of the NCAA, but unfortunately you lost to Missouri by one point. We almost—for three quarters—beat Indiana. [Laughter]

Thank you again, and good luck to you. And we appreciate the chance to be on your campus and meet all of your fellow students and meet all of you. Good luck to you.

NOTE: The President spoke at 1:37 p.m. in Meeting Room 1 at the Hilton Inn.

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**Remarks at a Reception in Lubbock for West Texas
President Ford Committee Volunteers. April 30, 1976**

THANK YOU very much, Deana. I thank all of you. This has been a wonderful, wonderful opportunity to be in Lubbock, to go to Texas Tech and meet so many of the fine young students and others at the university. And it has been a great pleasure to have an opportunity to shake hands with so many of you and to say hello and to indicate to you my appreciation for the tremendous job that has been done.

You know we are just about 30 hours down to countdown, to the final whistle, so to speak. I know you have done a great job—phone banks and every other way to get out the maximum amount of votes that we can get in this area.

I am tremendously encouraged by not only the quality of people I see here but the energy and enthusiasm. When we came here first about 3 weeks ago and I spent a few days in Texas, came back, I had the feeling that we were definitely an underdog. But as I have gone from Longview, to Tyler, to Fort Worth, to Houston, to Dallas, to Conroe, here to Lubbock, and we are leaving shortly to go to Abilene, I get a totally different feeling.

We have the momentum going, and we believe that it is going to be a very nip and tuck, very close contest.

But with the momentum that we have, with the kind of leadership that we have under your great senior Senator John Tower and the quality and the energy that all of you have, I think the basic programs that we have both domestically as well as internationally and militarily, we are going to come right up to that edge and we can tip it over if we make a maximum effort between now and when the polls close tomorrow night.

Let me just say this: This administration, from the very outset, has adopted one very basic policy. We would promise only that which we believe we can deliver and we will deliver everything we promise. That is what the American people want, and that is what this administration will do for the next 4 years, just as we have done it for the last 20 months.

Now, let me talk for just a minute about some of the sales pitch that I think you can honestly make as you talk to your friends, whether it's by phone or otherwise. Just refresh your memory a minute back to August of 1974. At that time, we were suffering inflation of about 12 percent or more. The reports came out just a week or so ago which indicated that the rate of inflation, for the first 3

months of 1976 was under 3 percent. That's a 75-percent reduction in the rate of inflation, and that's a darned good record, and we ought to be proud of it.

If you will recollect, just about a year ago today the unemployment was high, employment was falling, but in the last 12 months, we have increased employment in this country by 2,600,000 people. The net result was for the month of March, we had an employment record of 86,700,000. More people were gainfully employed in the United States in the month of March than at any time in the history of the United States. That is not a bad record, either.

Probably the most significant factor as we take a look at what we are trying to do to get this economy on a healthy, permanent basis—a year ago the consumer confidence in America was at an almost alltime low, but because we had some sound policies, because we pursued them with persistence and diligence, today the consumer confidence is more than double what it was a year ago.

In other words, people are now beginning to feel that they have confidence in investing in a new car, a new home, or investing in America, period. This is the basic reason why I am absolutely confident that this movement in the economy is all for the plus and it is going to be a sound, constructive economy, not just one of these peaks and valleys.

So, we can say with confidence that the Ford administration's policies were right. We stood off the Congress when they wanted to load up the Federal payroll, when they wanted to spend more and more money. We have vetoed 48 bills, they sustained 39, and the net result is we have saved the taxpayers of this country \$13 billion. That is not a bad record, either.

Let me indicate also that I think this administration can be given a very high mark for decisive action. First, we had the courage as well as the wisdom to veto the so-called common situs picketing bill, and that is progress, in my judgment. Then I think it is well to point out when we were faced with a challenge by a nation that seized one of our merchant vessels just about a year ago, the *Mayaguez*, this administration took firm, decisive action and we recaptured the *Mayaguez* as any good, strong country ought to.

So, I think we are on the right track both domestically and internationally. And I think we can go out in good conscience and sell what we have done and what we will do for the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 2:42 p.m. in the ballroom at the Hilton Inn. In his opening remarks, he

referred to Deana Vick, president of the Texas Tech Young Republicans.

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Remarks at a President Ford Committee Fundraising Reception in Lubbock, Texas. April 30, 1976

THANK YOU very, very much, John, and again let me express my appreciation to the president of Texas Tech for the wonderful opportunity to be over there today. It was a wonderful audience, and I am deeply grateful, and that medal I will prize and cherish. Thank you again.

I claim the rain, which was welcome; I am not claiming this Michigan weather that we have right now. But it is nice to see you all, and I am deeply grateful for Bob's hospitality and generosity, and thank you, Bob, very, very much.

Let me take just a minute or two to say a word about something all of you from Texas are deeply interested in and a matter that I spent a great deal of time on since I became President in August of 1974.

At that time, we recognized that we had to do something about energy in this country. We had the tragedy of the October war in 1973, and the net result of an embargo and escalating oil prices for overseas customers, and the growing, growing dependence of the United States on energy from afar, and our need to find energy independence in this United States.

So, in January of 1975, if you will refresh your memory, I recommended to the Congress in my State of the Union Message what I thought was a sound and constructive long-range program for energy independence of this country. It called for total deregulation of domestic oil production by April 1, 1975, and it called for the deregulation of new natural gas as soon as Congress would move on it, and we urged them to move immediately.

Unfortunately, the Congress, from January of 1975 until December of 1975, diddled and dawdled and debated and delayed. And finally, they sent a piece of legislation down that was far from perfect, but that is what we are operating under at the present time. And I have committed myself publicly, as well as otherwise, that we are going to use every single provision in that legislation to decontrol as rapidly as possible. I think our batting record is pretty good.

We got some new definitions of property, which I think are somewhat significant as far as your industry is concerned. We have had some other decisive action by the FEA [Federal Energy Administration] after a little pressure and a little persuading. So as far as the administrative action that they can take, we are moving as rapidly as we possibly can.

Now, under the decontrol features, let me recite very quickly what we have accomplished, using every possible way to decontrol this great industry in our country. The first action we took was to propose to the Congress that we deregulate residual oil, and that is now effective.

We are in the process of proposing the deregulation of distillates, and that should happen in the relatively near future, unless Congress turns us down. We are in the process of proposing the deregulation of gasoline, and as soon as that can get through the congressional mill—and I hope it will—that part of the FEA's responsibility will be totally terminated.

Now under the law, we are permitted to ask over the 40-month period, the first step of a 10-percent increase in the—what is it?—composite price, \$7.66-\$5.25 for old oil and—what is it?—12-something for new oil. But we are in the process right now of getting that first 10-percent increase. And I assure you—because I know it is right, because it conforms with my basic philosophy that I set forth in January of 1975—that we will use every step that is possible to get decontrol by the end of the 40-month period.

Now, one other point, I can recall very vividly in the last days of trying to get the energy act changed to make it as flexible and, I think, as constructive as possible. We were trying to do something for stripper wells and tertiary production.

And let me just say that our people worked as hard as they could to get the last element into the conference report, but unfortunately there were certain powers on the liberal side—I say liberal side—of the Democratic Party that just wouldn't go along. I could name them, but it doesn't do any good at this point. All I know is they didn't go along with what we proposed. Maybe you know who I am talking about. They aren't going to be President of the United States, I can tell you that. [*Laughter*]

But what I am trying to say—I know and I have known from the first time that we had to sit down and analyze what our problem was—the only way to become energy independent in this country is to provide an incentive so people will explore, they will drill, they will produce, they will refine, and they will market.

One final comment: Speaking of marketing and all the other things that go to make up this great industry, there are people in the Congress today who want to go and force down this great industry what is called divestiture. People have asked me how I feel about that. I will tell you how I feel about it.

When you measure divestiture in any of the bills that have been proposed—and the criteria is, will it increase production, make us more independent, will it in any way reduce the price to consumers?—when you measure any of those

proposals by those criteria, the facts are they won't reduce the price and they won't provide any incentive and get more energy independence for this country. So, I am against divestiture, period.

So, I believe in what this great, free enterprise system we have can do. It is a precious freedom, just like the individual freedom that we have in America, and we have got to fight to keep it, we have got to fight to expand it.

Dr. Murray, let me just say this. I suppose as an academician you know a lot more about the history of this country than I do. But if we look back and see the first century of America, we know that our forefathers put together the greatest form of government in the history of mankind. It was a hard struggle for those people in those days, starting from 13 poor, struggling Colonies, but what a blessing they gave us.

The second century of our great national history, we became the most productive industrial country in the history of mankind.

Our third century has to emphasize the freedom of the individual. We have to get away from mass government, mass education, mass industry, mass labor. We have to generate the opportunity for every one of us and the things we stand for as individuals, and that is what I would hope to do in the next 4 years as President of the United States.

Thank you very, very much.

NOTE: The President spoke at 3:20 p.m. at the residence of Robert Blake, chairman of the Lubbock County President Ford Committee. He was intro-

duced by Senator John G. Tower, chairman of the Texas President Ford Committee.

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Exchange With Reporters on Arrival at Abilene, Texas.

April 30, 1976

GOOD AFTERNOON. How are you? It is great to be at Dyess Air Force Base in Abilene, and I will be very delighted to answer any questions.

REPORTER. Mr. President, apparently the U.S. is fairly far behind the Russians in terms of conventional weaponry, yet this spring we have seen the announcement by the Pentagon of a great mass of base cutbacks of conventional weapons and training bases, such as Webb Air Force Base in Big Springs. Can you explain why a base like Webb, with a proven cost-efficiency like it has, would be closed?

THE PRESIDENT. Let me talk specifically about Webb. That was a mandated

cutback, actually as a result of reductions in military appropriations by the Congress. So, the executive branch had nothing they could do except follow the law as passed by the Congress.

I categorically deny that the United States is behind the Soviet Union in conventional weapons. We have sophisticated weapons both in tactical air. We have the finest tank in the world today, the M-60. We are developing another one. We are increasing our Army divisions from 13 to 16, and they are good, fine, outstanding combat divisions. We are improving our capability, modernizing and upgrading it all along the line. If the Congress passes the appropriation bill that I recommended, a 14-percent increase in Department of Defense appropriations, there won't be any question whatsoever now or in the future as to our capabilities in conventional warfare. That includes of course, our capability as a navy.

Q. Mr. President, are we getting the B-1 bomber, sir?

THE PRESIDENT. I included \$1,500 million in my next year's budget for the Department of Defense for production of the B-1 bomber, and the total force we are seeking is 254 new B-1's to replace the existing B-52's. So, we are on the way. I am sure the B-1 is going to pass every test which will be concluded some time early this spring or in the summer. And the B-1 will be on the production line, and we expect to get 250 of them in a relatively short period of time.

Q. Mr. President, do you think Secretary Kissinger is too much of an internationalist?

THE PRESIDENT. Not at all. I think the United States of America has to be a leader in the world. The day is long gone when the United States could adopt a policy of fortress America. That was an unsuccessful policy prior to World War II and conditions have changed significantly since then.

The United States must be a leader in the world. It must be a leader militarily, economically, industrially, agriculturally, scientifically, and technologically, and we are unsurpassed in all of those areas. So, the United States is a leader, it will continue to be a leader, and it must be.

REPORTER. Thank you.

THE PRESIDENT. It is nice to see you all. Thank you.

NOTE: The exchange began at 5:04 p.m. at Dyess Air Force Base.

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Remarks and a Question-and-Answer Session at the Abilene Jaycees Bicentennial Celebration, Abilene, Texas.

April 30, 1976

Thank you very, very much, Billy Taylor, Senator John Tower, Mayor Hughes, Mr. Anderson, Dr. Flemming, distinguished guests, ladies and gentlemen:

Aren't you glad I brought some rain for you today? [*Laughter*]

I am really delighted to be in this wonderful auditorium, and I congratulate all the citizens of Abilene for providing this superb facility, but I am obviously tremendously impressed and overwhelmed by the warmth of your welcome. Thank you very, very much.

You know, as a long-time football fan, one of the great names that came to mind as we landed here in Abilene was Clint Longley, who all of you know as an outstanding graduate of Abilene Christian University and now an outstanding quarterback for the Dallas Cowboys.

I don't think anybody in Washington, D.C. will ever forget Clint Longley. [*Laughter*] They won't forget that long, long, long pass that he threw to beat the Redskins in the last minute of that Thanksgiving Day game in 1974.

But you know, a winning team also depends on a great coach, and here in Texas you have one of the greatest coaches in the history of football—Tom Landry—and I am very proud to say that Wednesday, Tom Landry announced his personal support for my campaign. And all I can say to Tom is, with his help and the help of many, many more concerned Texans like him, we're going to win tomorrow and we're going right on winning for America in the challenging 4 years ahead.

I really looked forward to being in Abilene today, for I knew that here I would be among the kind of people who are very, very proud to be citizens of our great country, the United States of America.

I especially want to thank Billy Taylor and the Abilene Jaycees for giving me the opportunity of joining with you and saying I am proud of being an American, I am proud of our country and proud of our heritage and proud of our people, just like you are.

We have a lot to be thankful for and a lot to celebrate in this Bicentennial Year. In a relatively brief history, we have grown from a weak, struggling nation on the edge of a continent into the richest and most powerful country in the history of mankind. We have gone through wars, scandals, riots, assassinations;

we have passed through crisis after crisis both at home and abroad and emerged in each instance stronger and stronger as a country. And I think that tells us something about the people in this country.

After each crisis we have closed ranks, joined together, and gotten on with the job. As a result, we have enjoyed unparalleled economic, technological, social progress in America, and through it all we have had greater freedoms and greater liberties than any other people in the history of mankind.

That is why I take great pride in being an American, because I know, as you do, that here, as in nowhere else, we are free to do what we want to do, to think and to say what we please, and to be, each of us, what we want to be. That is the kind of a country we have, and so long as I am President of this United States, that is the kind of a country we are going to keep.

But it will take more than good intentions to maintain our independent traditions as we enter the third century of our history. It will require a vigorous national effort to protect our way of life, and one of the greatest threats we have to face has been the threat to our free enterprise system. The most recent attack began with the Arab oil embargo in the fall of 1973. The embargo did more than create long lines at gasoline filling stations and increase the price of fuel or expose our dependence on foreign suppliers for petroleum. As much as any single factor, it contributed to the most serious economic recession in four decades.

I am happy to report that my administration has broken the back of this recession, but our dependence on foreign oil still remains, and we have got a job to do in that regard. In fact, we are more dependent on foreign oil now than we were when the oil embargo took place, and that is because the Congress of the United States failed to act when you demanded that they act, when I demanded that they act, and when America's energy needs demanded that they act.

Fifteen months ago, in January of 1975, I recommended in the State of the Union Message that I submitted to the House and to the Senate decontrol of oil and new natural gas prices. The Congress deliberated, the Congress delayed, the Congress debated, the Congress dawdled all the way from January to December of 1975, and finally sent me an energy bill. It was a long, long way from perfect, but it is the law.

In that bill that Congress agreed, fortunately, for the first time, to remove controls on oil prices. Unfortunately, the Congress insisted that full decontrol be carried out over a 40-month period.

I indicated last December that I would order immediate steps to remove con-

trols on petroleum products. I also pledged that I would use all the flexibility available in the legislation to allow the increases in crude oil prices that are necessary to stimulate domestic oil production.

We have already sent to the Congress the plan for the decontrol of residual oil and this decontrol plan will go into effect in a very few weeks. Plans are also being made—prepared, I should say—to decontrol distillates and gasoline. We are moving in the right direction in this area, both to provide the production incentives that we need and to reduce the control in the Federal bureaucracy. But my goal is, my goal has been, and my goal will be to continue the removal of all price controls from oil and new natural gas as the best way.

Last week, the Texas Independent Producers and Royalty Owners Association expressed its support for my efforts to achieve energy independence. I am deeply grateful for that support from one of the largest and most influential associations in Texas, and let me assure you that I intend to keep right on with these efforts for the next 4 years until we get total decontrol.

Meanwhile, my administration has pulled us out of the worst economic recession in 40 years. When I became President, in August of 1974, the Consumer Price Index was at a runaway rate of 12 percent or more. In the first 3 months of 1976, we cut that rate to less than 3 percent, reducing the rate of inflation by 75 percent over this span of some 20 months.

Just last week the Commerce Department reported that the gross national product, representing the value of all the goods and services produced in America, rose at an annual rate of 7½ percent. That is about 5 percent better than we anticipated.

On the job front, which is of deep concern to all of us, more Americans are gainfully employed at this time than at any time in the history of the United States. More than 86,700,000 are in our work force today. And five out of six of those jobs are in the private sector, and considering where we started from, that is a darn good comeback by any standard.

Try as they might, even my opponents find it somewhat difficult to dispute the fact that we have made very substantial economic progress since the low point of the recession, just about a year ago. We are on the way to a new prosperity in the United States, and I will not rest until every American who wants a job can find a job, and we have put all of America back to work.

As I said a moment ago, five out of the six jobs in our society are in the private sector. Now, there are or have been, some in the Congress, particularly, that wanted us to come out of this economic recession by loading up the Fed-

eral payroll, by adding one spending bill after another. That is not the way we should have done it and that is not the way we did do it.

Let me say this, that one of the things that I feel I can take the most pride in is that I combated the Congress. They sent down one spending bill after another; I vetoed 48 of them; Congress has sustained 39, and in the process we have saved the taxpayer \$13 billion.

One of my strongest supporters and best friends in the Congress, a man who has done a superb job as your senior Senator, John Tower—I thank you, John.

One of the great dangers and fears that I have is that government could burgeon, it could grow, it could almost do it behind our back if we aren't careful. One of the basic truths that we have to remember and recall is that a government big enough to give us everything we want is a government big enough to take from us everything we have.

As your President, I want more than prosperity for us as fellow Americans. I want to lead our country into a third century of progress on all fronts. I foresee a century of individual and national fulfillment, a century in which we can adapt and perfect our government and its institutions so that they more completely serve the needs and the aspirations of the American people.

I want to strengthen our tradition of individualism to make our institutions less remote and more responsive to the needs of the people that they serve.

I want our Bicentennial celebration to mark the beginning of an effort by government to win back the trust of the disillusioned among us in this great country. I want to heal the antagonisms, the divisions that exist in our society, and to convert the cynicism and the despair into active, constructive concern for our country where so much still needs to be done.

I want to keep America strong militarily, technologically, scientifically, agriculturally, but most of all morally, for only through the strength, that strength, can we meet and overcome the many challenges to our way of life.

I have really enjoyed very much this 3½-day visit to the great Lone Star State. I have enjoyed having the eyes of Texas on me personally and my record during this very spirited primary campaign.

Tomorrow, I would deeply appreciate having a lot of the votes of Texas supporting me and the policies of peace and freedom and prosperity for which I stand.

Thank you very kindly.

Now, I am looking forward to, and I will be delighted to respond to the questions.

QUESTIONS

FEDERAL ASSISTANCE FOR PRIVATE EDUCATION

[1.] Q. Mr. President, I am a student from Abilene Christian University, and I was wondering how you feel about Federal funding of private institutions?

THE PRESIDENT. That is a question I have been concerned about for a long, long time. And I am glad to report to you that for a number of years it has been my deep concern and belief that private schools from primary to secondary to higher education ought to have a way in which they can receive contributions and donations without the harm and detriment of Federal taxation.

It has been my belief that it is good for the public school systems to have competition in the primary, the elementary, and the higher education fields of education. Competition in education is just as good as it is in politics, business and professions and otherwise.

So, we ought to, under our tax laws, make it as easy as possible for individuals to contribute as generously as they can to the support of private education.

PANAMA CANAL NEGOTIATIONS

[2.] Q. President Ford, I am one of the four delegates pledged to you tomorrow.

THE PRESIDENT. Thank you.

Q. So many people have become concerned, I think due to the publicity, about the possibility of our losing or giving away the Panama Canal. Can you enlighten us on this?

THE PRESIDENT. Let me start out by saying, under no circumstances will I ever do away with our right, our authority, our national defense usability of the Panama Canal. You can start with that, period.

But let me say that in 1964, if your mind will go back to that time, we had a riot in Panama. Twenty Panamanians were killed. The National Guard and other military forces got involved, and four Americans were killed.

At that time, a great Texan, President Lyndon Johnson, decided that we ought to negotiate rather than fight, it would be better to talk rather than to have riots. And the net result was that those negotiations started, they have continued from 1965 to the present time, and what we are seeking to do is to establish a treaty of an extended period of time, 50 years, well into the next century, and in that treaty, during the period of that treaty, we would have the authority and the right to maintain, to operate, and to defend that canal which, in effect, means for the remainder of the canal's useful economic lifetime.

Now, let me take the alternative of what my opponent has said. He says that in effect we should stop those negotiations. Let me be very candid and say that if those negotiations were terminated, you would have a resumption of the riots and the bloodshed, you would have the antagonism of every Latin American, every South American country—25, including 309 million people in that part of the hemisphere. You would undoubtedly, because of the actual riots and bloodshed, have to send another 10,000 to 20,000 American GI's down to defend the canal if they could, because it is a place—if you have been there as I have been—which is not easily defendable. Guerrilla warfare would very easily destroy the usability of that canal.

So, what we are trying to do, and Mr. Johnson tried to do, and Mr. Nixon tried to do, and I am trying to do, is to make certain that we get a treaty that gives us the rights for as long as that canal is economically viable. And we will get that kind of canal right and it will be for at least 50 years, which is for the economical usability of that canal, period.

TAX REDUCTION RECOMMENDATIONS

[3.] Q. Mr. President, I am also from Abilene Christian University. Everyone here is concerned about taxes. Would you like to expand upon your statement yesterday concerning a possible tax cut within the next 2 years?

THE PRESIDENT. I certainly would, but I would like to start with the message that I sent to the Congress in January of this year, when I recommended to the Congress that starting July 1 of this year we get an additional \$10 billion tax reduction, 75 percent of it going to individual taxpayers and 25 percent going to business to provide jobs. And let me tell you what the main ingredient is of the tax reduction that I have proposed for July 1.

Today, under existing law, a personal exemption for every taxpayer or every dependent of a taxpayer is \$750. I want the Congress to increase that personal exemption from \$750 to \$1,000. What that will do is give to the great middle-income taxpayers, who have gotten short shrift in recent years—it will give to them the kind of tax relief that they badly need and really deserve.

The recommendations for additional tax reductions for business are aimed at the following: To give to business an incentive to stimulate the modernization, the expansion, the improvement of their facilities.

What does that mean? That means more jobs for Americans.

So, what we have is a tax bill to give more money back to the people so they can spend it as they see fit and not as government dictates; and, number two, an incentive for business so we will have more jobs in America. That is what I

recommended starting July 1, and I hope the Congress has enough good sense to accept that proposal.

Now, I have promised, and I reiterated here today, that if we follow my budget recommendations to curtail the rate of growth of Federal spending by cutting it in half, if Congress will do that we can have an additional tax reduction of major proportions in 2 years, and that is what we want, in addition to what I have recommended for this year.

EFFORTS TO REDUCE THE FEDERAL BUREAUCRACY

[4.] Q. Mr. President, I am from Knoxville, Tennessee. I was wondering if you could comment on the policy that you took as Congressman and as President in controlling our growing bureaucracy in Washington, D.C.?

THE PRESIDENT. First, as a Member of the Congress and for 16 years as a member of the House Committee on Appropriations, I was known among my colleagues, both Democratic and Republican, as a hardliner as far as Federal expenditures were concerned. I am proud of that record.

Incidentally, in Congress I cast about 4,000 votes, and anybody who wants to look at that record, they can go back and check it. And you will find I was one of the most conservative individuals in the spending of taxpayers' money during that 25-plus years.

Now, as far as the term as President, let me indicate to you what we are doing and what we hope to achieve. First, about 6 months ago, I told the Director of the Office of Management and Budget that we had to cut by 10 percent the redtape, the forms that people have to fill out when they deal with the Federal Government. And I am glad to report to you that I got information just a week or so ago that we have already achieved about 4 to 5 percent of that cutback. And I have a deadline of July 1 of this year that they—the departments, the agencies, the bureaus, and the commissions—better have achieved that record by July 1 of 1976 of a 10-percent cutback. If they don't, there will be some action some of them won't like. [*Laughter*]

REPUBLICAN VICE-PRESIDENTIAL NOMINEE

[5.] Q. Mr. President, have you made a decision on your running mate?

THE PRESIDENT. No, I have not. I believe, and believe very sincerely, that we have a wealth of talent in the Republican Party, men in the Senate such as John Tower, men who are Governors—well, there are a number of them—members or individuals who were former public officials, who I think could

fully qualify, could fully carry out the responsibilities of the office of Vice President.

I think it is premature to make any decision on that important choice, and I can assure you we don't lack good potential people for that important responsibility in our Government.

ADMINISTRATION EFFORTS TO CONTROL CRIME

[6.] Q. Mr. President, I am a student at Angelo State University and I would like to ask you what your administration has done or what it plans to do to help control crime in the United States?

THE PRESIDENT. The question is, what has this administration done in crime control in the United States?

First, in 1975, I would say July, as I recall, I submitted a comprehensive crime control bill to the Congress of the United States. And let me just give you one of the particular provisions that I recommended, which I followed up last week in the drug abuse control message that I sent to the Congress.

I recommended using this as an example—a mandatory 3-year sentence for anybody who is convicted of trafficking in drugs, and for a second conviction a mandatory 6-year sentence for any conviction.

Now, as I understand it, some newspaperman has written a story to the effect that what I submitted last week for the drug abuse control proposal was that under my proposal they could have a parole after 6 months. That is wrong. When I say mandatory sentence for 3 years, I mean 3 years, period, or 6 years, period.

Another proposal that I recommended a year ago in the crime control message was that anybody carrying a gun who was convicted of committing a felony must also go to jail for a mandatory period of time, period.

May I say parenthetically, while we are on the subject of guns, I am unalterably opposed to the registration of gunowners and the registration of guns, period. We must make certain that the person who uses a gun in the commission of a crime goes to jail and the individuals who collect or legally use guns are not inhibited by a bureaucracy from the Federal Government.

There were a number of other provisions in the crime message that I submitted a year ago. Congress hasn't acted on this legislation. I hope they will before they adjourn this year.

But I am able to report to you that because we, I think, have created the right environment, because we have done some good things with what we call career criminal programs such as in Houston and in Dallas and elsewhere throughout

the country, we have reduced the rate of crime in the country from 17 percent in 1974 to 9 percent in 1975. But we are going to do better and better with the kind of enforcement, the kind of legislation that I have recommended.

EQUAL RIGHTS FOR WOMEN

[7.] Q. Mr. President, I understand Mrs. Ford leans favorably toward the movement for women's rights. We would like to hear your comments on where you stand concerning equal rights for women.

THE PRESIDENT. When the issue was before the House of Representatives and I was still a Member, I voted for the proposed constitutional amendment so that it could be submitted to the 50 States for its approval or disapproval. That is my record. I don't try to hide it. When I do something I don't believe it is fair to anybody to try and disguise it. I think it was the right thing to do then, and I think it is the right thing to do now.

NATIONAL HEALTH INSURANCE

[8.] Q. Mr. President, one final question.

There have been various bills proposed for national health insurance, and I would like to hear your administration's policy on national health insurance.

THE PRESIDENT. I see no national health insurance program that we can afford at this time. I see no national health insurance program that has been put together that would protect the patient-doctor relationship. I see no national health insurance program that can be implemented without expanding the bureaucracy unbelievably. I see no such program at the present time that anybody has submitted to me that I could, in good conscience, recommend to the Congress of the United States.

One more. If anybody else has one more question I will be glad to try and answer it.

SOCIAL SECURITY

[9.] Q. Mr. President, I want to know your stand on the social security, whether it is going to be extended through 1978?

THE PRESIDENT. Well, I recommended in the budget for fiscal year 1977, which runs into October 1 of 1977, that the social security recipients or beneficiaries should get the full cost-of-living increase, and this year they will get a 6.3-percent increase, as I recollect—is it July 1 or October 1? I am not sure. But I have recommended the full cost-of-living increase for all social security recipients.

[At this point, the President proceeded to the Exhibition Hall in the Abilene Civic Center where he continued the question-and-answer session with the overflow crowd.]

THE PRESIDENT. It is really wonderful to be in Abilene, and I thank all of you, particularly for coming here and being so warm and responsive and hospitable.

It has been a great 3 days in Texas and to have it climax by this wonderful welcome here in Abilene, I can't thank you enough.

I don't know how many CB'ers there are here in the audience. Well, I was going to say First Mama gives you her very best—[laughter]—and I certainly want to thank you.

Now, I would be glad to take some questions. Have we got a microphone that could be used? If not, if somebody will stand up and ask a few questions I will be delighted to try and respond, but you have to have a loud voice because I can't hear otherwise. [Laughter]

I understand there are some students here from Hardin-Simmons. You have got other fine educational institutions here. Anybody from McMurry? And, of course, Abilene Christian—I know there must be some.

Now, where is that first question? Over here.

DIFFERENCES BETWEEN THE PRESIDENT AND JIMMY CARTER

[10.] Q. What do you believe are the basic difference between Governor Carter and yourself, some basic differences—[laughter]—besides Democrat and Republican?

THE PRESIDENT. The question is, what do I think are the basic differences between Governor Carter and myself.

Well, I know what my record is of 25-plus years in the Congress and 20 months in the Presidency. I must say from what I have read and what I have heard and what I have heard other Democrats say, I am not sure that I know where he stands on most of the issues.

So, that being the case, I really can't compare my record or my views or what we have tried to do when on the major issues that affect this country, both domestically and internationally, the Governor has not yet spelled out what he would do or how he would handle the problems either at home or abroad.

THE PRESIDENT'S VIEW OF THE PRESIDENCY

[11.] Q. What is it like to be President of the United States?

THE PRESIDENT. This young man asks a question—how do I like being President of the United States.

Well, it is a great opportunity and a great challenge. It takes a lot of time, but it is an opportunity for someone to dedicate his life, in effect, to do what he thinks is best for 215 million Americans at home and abroad, and that is what it is like.

It is not a 40-hour-a-week job, I can tell you that, but I love it and I want to have an opportunity to give this country leadership for the next 4 years.

ALL-VOLUNTEER MILITARY FORCE

[12.] Q. Will we have selective service any more in the future?

THE PRESIDENT. The lady asked, will we have selective service anymore in the future.

I have recommended that we continue with the all-volunteer military force. And during my administration, we have achieved the necessary manpower requirements of the Army, the Navy, the Air Force, and Marines, without utilization of selective service or the draft.

The Joint Chiefs of Staff have asked for a manpower of 2,100,000, and we have gotten every one of them by the all-volunteer military recruitment program.

Now, if I might, I would like to add a postscript to that. There are some who say that the Soviet Union has 4 million men under arms and that we have 2,100,000, the inference being that if we were doing the right thing, we should go to 4 million men under arms. First, no responsible military officer in this country has recommended that we have 4 million men under arms. But let me add this: If we were to go to 4 million men, as some people are advocating or inferring, we would have to go back to selective service and the draft. I don't think we want it, because we are doing all we have to do with 2,100,000 men under arms at the present time.

THE PRESIDENT'S VETO RECORD

[13.] Q. As you know, you are probably in a little more conservative country basis than some places. And there are a lot of us who would like to say that we admire your courage to stand before the Congress vetoing many of the bills as you have, very, very much.

THE PRESIDENT. Thank you. I thank this very, very kind gentleman for mentioning the fact that for the last 20 months, I have vetoed 48 bills passed by the Congress. The Congress has sustained 39 of those vetoes. And we have saved the taxpayers of this country \$13 billion, because I vetoed those bills and we got 39 of them sustained.

But let me add, as your good Senator knows, one in particular that I vetoed, they knew they would sustain. They haven't brought it up to be sustained, but I am darned glad I vetoed the common situs picketing bill, as well.

SECRETARY OF STATE KISSINGER'S TRIP TO AFRICA

[14.] Q. You know that Mr. Kissinger is in Africa right now, and I was wondering if you could tell us if—what progress he is making.

THE PRESIDENT. The question is the mission of Dr. Kissinger in Africa at the present time.

I can very directly give you what that mission is seeking to do. It is seeking to reaffirm what we have had from the birth of this country. And we, as a country, believe in self-determination. That is how we got our freedom—self-determination of the American people.

Number two, that mission is to make certain that we guarantee minority rights in the future in any country in Africa.

And number three, he is there to make certain that the Cubans and the Soviet Union don't move into any of those countries and dominate them. We believe Africa should solve African problems without the influence or the impact or the domination of any outside country, including Cuba and the Soviet Union.

There was a gentleman back here that had a question.

NATIONAL HEALTH INSURANCE

[15.] Q. In your next term in office would you recommend to Congress a compulsory national health insurance program for this country?

THE PRESIDENT. The question is, in my next 4 years, would I recommend compulsory national health insurance for this country. I have seen no program that I would recommend to the Congress for compulsory national health insurance.

Thank you all very, very much. It has been a great privilege and pleasure to be in Texas for 3½ days, and to climax it with this superb and wonderful, hospitable, warm welcome here in Abilene. I thank you.

May I express also—my wife, Betty, was in Texas 4 days last week; my son, Jack, was here twice in Texas, on two occasions—the Ford family, Betty, Jack, Mike, Steve, and Susan and myself thank you very, very much.

Senator Tower has just pointed out to me that all of these birthday cards here were made by the wonderful elementary school pupils in the Abilene school

system. May I say to each and every one of them and to the faculty, thank you very, very much for this thoughtfulness.

NOTE: The President spoke at 5:52 p.m. at the Abilene Civic Center. In his opening remarks, he referred to Bill Taylor, president of the Abilene

Jaycees, L. A. Anderson, president of the Abilene Chamber of Commerce, and Dr. James Flemming, pastor, First Baptist Church of Abilene.

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Remarks to President Ford Committee Volunteers in Abilene. *April 30, 1976*

THANK YOU very, very much, John. First, let me express by appreciation for Senator Tower's wonderful support. He has been with me in the 3½ days that I have been in Texas and no one could have been stauncher, more steadfast, and more loyal; and more effective, I might add, because so many people in Texas respect John Tower, and for good reason. Thank you very, very much, John.

I also want to thank each and every one of you who are working for the President Ford Committee. I know how much time it takes and how much effort it is, and I can't express deeply enough my gratitude and appreciation.

But, as Senator Tower said, if we win in Kansas City, I can be elected in November. I am the Republican candidate that can be elected and can carry through on the moderate conservative policies that we believe in. So, that is why Texas is so important, that is why other States are so critical.

So, I thank you for the efforts in getting the nomination, which I think will be very influenced by the decision tomorrow. I want to represent the Republican Party and win for the Republican Party, and the philosophy that it stands for, and I can. And I believe no other Republican candidate can win.

And let me tell you very quickly why I think we can win on the basis of policy and programs. You know that we have taken this economy when it was in the depths about a year ago and we brought it up so that we are now on the road to a healthy, continuous era of prosperity. I know that the women here particularly are affected by the cost-of-living increase.

Think back to August of 1974. The cost of living was escalating at that time at the rate of 12 percent or better and in the month of March, in the month of February, and in the month of January this year, a 3-month period, we had cut the rate of inflation to under 3 percent. That is a 75-percent decrease or reduction in the rate of inflation in this country.

I think that is a great achievement and we have done it because we have been strong in dealing with the Congress, vetoing 48 bills, getting 39 of them sus-

tained, and saving \$13 billion. That is the kind of strong, effective, anti-inflationary program that we have undertaken.

And you could take a look at the number of jobs. A year ago we were in the depths of a serious recession. In the meantime, in 12 months, because we had the right policies, we have added 2,600,000 more jobs in America. We are now up at the highest rate of people gainfully employed in this country, 86,700,000.

But, I am not satisfied because there are too many people unemployed. We are doing well, but I want a situation in this country where everybody who wants a job and will look for a job can have a job. That is the kind of economy we want in America today.

Now, let me make one comment that I think all of us who are dealing in the facts—and particularly those of us who have to go out and meet the comments made by my challenger or you who meet the individuals who are supporting my challenger—my challenger has raised the issue about whether or not our military capability was sufficient. He is alleging that we are number two.

First, that is totally inaccurate, but as to his credibility to make that charge, let me make this observation. On November 20 of last year, when he announced his candidacy in Washington, D.C., he was asked a question by one of the reporters at that press conference whether or not he could recommend a figure that would be adequate for our defense appropriations. It just happens that that answer is a matter of record, and here is what my opponent said. "I didn't say what I wanted to spend. You have me in a position in which the answer is very difficult because I think only when you are in that position of command do you have access to all of the information that is necessary for making that decision. Obviously, I am not in that position and do not have that information at this moment."

Then he went on following another question by a reporter and said, "One has only to face the fact that there are facts not known to you which cannot be known to you because of classification, and this always must be kept in mind as a reservation about any opinion that you might render."

What, in effect, he is saying is he didn't have enough information to make a judgment or to make a recommendation as to how much money we ought to have for the Army, the Navy, the Air Force, or Marines, and now, a few months later, he is saying we are not spending enough money, that our program is inadequate.

I think this affects his credibility very seriously as to whether or not he can be an honest critic of the status of our defense program. And, so, I think

we ought to say if you know what the facts are, you can be critical, and you can have a program, but he charges we are number two and admits himself he doesn't have enough information to make a valid accusation.

So, I say we are on the way because we have a good program, a program of strength for America, a program of success for our economy, and I believe as the momentum between now and 7:00 p.m. tomorrow night, we are going to surprise him, we are going to make this race one that we can win.

Thank you very, very much.

I thank all of you on behalf of Betty and Jack and Mike and Steve and Susan and myself for what you have done, and I am deeply grateful for the sacrifice and effort that each of you have made. We won't let you down. I will make sure of that.

Thank you very much.

NOTE: The President spoke at 7:12 p.m. at the Abilene Civic Center.

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Remarks at a Reception in Abilene for Members of the Abilene Jaycees. April 30, 1976

THANK YOU very, very much, Mayor Hughes, and I will honor and treasure the privilege of being an honorary citizen of the great city of Abilene. I also am grateful for the fact that I am excused from paying any taxes. [*Laughter*]

I wish I could show reciprocity to you. [*Laughter*] Although you are a Buick dealer and my name is Ford, I have a great, great interest in a prosperous and healthy automobile industry. But as strongly as I feel the automobile industry is a great contributor to our economic well-being, I would respectfully suggest that 1976 is not a good year for all of you to trade in your Ford for another. [*Laughter*]

I was telling Billy Taylor earlier that a good many years ago I was an active member, a very devoted participant in the Jaycees in my home town of Grand Rapids, Michigan before World War II and then 4 years later when I came back and was for several years before reaching that age limit. I know what Jaycees do all over the country. I'm not familiar with your individual projects here in Abilene, but I have never found a Jaycee chapter that wasn't a major contributor to a better life in the community in which they operated.

Jaycees raise money in the right way. They spent it for the benefit of their fellow citizens. And their projects and their aims and their ideals are those I

think are in the best interests of your community, your State, and our country. So, I am proud of my previous association—Billy, and the new president—of my opportunities as a member of the Jaycees.

Now, let me just—this is my last speech or comment before leaving the great State of Texas as I've had a wonderful time here for 3½ days. I've met some wonderful folks, young and old, from all walks of life, who have been friendly and supportive. And I want to say to you directly, and you can say it to all the other people of this great State, that Betty and Jack and Steve and Susan and Mike and myself are grateful for the hospitality, for the friendship, and the support that all of you have given us.

And I can only say this: The Ford family, and I particularly, will never let you down if I have the opportunity to serve this country for another 4 years. Thank you very, very much.

Again, it is nice to see you, and good luck, and God bless each and every one of you.

NOTE: The President spoke at 7:34 p.m. at the Abilene Civic Center after being presented the key to the city of Abilene by Mayor Fred Lee Hughes. In

his remarks, he referred to Bill Taylor, president of the Abilene Jaycees.

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Memorandum to the Special Representative for Trade Negotiations on Import Relief for the Earthenware Industry. *April 30, 1976*

PURSUANT to Section 203(h)(3) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the actions I will take with respect to the report of the United States International Trade Commission (USITC), dated March 31, 1976, concerning the results of its investigation of a petition for continuation of import relief filed by the American Dinnerware Emergency Committee.

I have decided to extend the increased rates of duty currently in effect on imports of certain earthen dinnerware, and certain other ceramic tableware provided for in items 923.01, 923.07pt. (that part related to item 533.38), 923.13 and 923.15 of the TSUSA for one year. These temporary duty increases will subsequently be phased-down and will revert to trade agreement rates beginning May 1, 1979, unless terminated before that time. Escape action rates of duty on steins and mugs and certain other ceramic tableware, provided for in items 923.03, 923.11, 923.05 and 923.07pt. respectively of the TSUSA, will revert to

the trade agreement rates at the close of business April 30, 1976. I have determined that these actions are in the national interest of the United States.

Since May 1, 1972, the U.S. earthenware industry has made substantial economic adjustments to import competition. Profit and productivity levels have increased. The labor force is more efficiently utilized and the industry is more automated. However this adjustment process is not yet complete. Additional capital improvements are needed to complete this process.

The major product of the U.S. industry is earthen dinnerware. Many earthen dinnerware producers are located in areas of economic depression and high unemployment. The immediate termination of all escape action duties on earthen dinnerware and certain other tableware that competes with earthen dinnerware would adversely affect the industry's efforts to adjust to import competition and would be detrimental to our national employment policies.

Since the purpose of escape action import relief is to provide temporary assistance to domestic producers to adjust to such competition, I am ending the tariff increases on those items that I determine to have adjusted to competition.

Since the Kennedy Round of trade negotiations, when the U.S. Tariff schedules of earthen and china table and kitchen articles were last negotiated, duty rate disparities have resulted in tariff loopholes, and currency changes and inflation have made many of the categories in this schedule obsolete. I am directing you, therefore, as the Special Representative for Trade Negotiations, to review the classification and rates of duty on dinnerware and related articles (Schedule 5, Part 2, Subpart C of the Tariff Schedules of the United States) to determine if changes are necessary to close tariff loopholes and change obsolete descriptions brought about by currency changes and inflation, and to enter into negotiations to make any changes you consider necessary.

This determination is to be published in the **FEDERAL REGISTER**.

GERALD R. FORD

NOTE: The President's memorandum is printed in the Federal Register of Tuesday, May 4, 1976 (41 FR 18401).

410

**Memorandum to the Special Representative for Trade
Negotiations on Adjustment Assistance for the Stainless Steel
Flatware Industry. April 30, 1976**

PURSUANT to Section 202(b)(1) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC) dated March 1, 1976, concerning the results of its investigation of a petition for import relief filed by the Stainless Steel Flatware Manufacturers Association.

I have determined that expedited adjustment assistance is the most effective remedy for the injury suffered by the domestic stainless steel flatware industry and its employees. I have determined that provision of import relief is not in the national economic interest of the United States.

The stainless steel flatware industry is currently receiving special import protection in the form of five-year tariff rate quota, which went into effect in 1971. Prior thereto, the industry received escape clause tariff protection from 1959 to 1967. The purpose of such special measures is to increase the amount of protection for a limited period during which the domestic industry is to make adjustments necessary to compete successfully with imports. The present tariff rate quota will remain in effect through September 30, 1976.

Under the existing level of special protection, some firms have made adjustments enabling them to meet foreign competition and one of the two largest producers opposes continuation of special protection. While certain others among the companies that requested greater tariff relief have shown low profits or losses, they account for a much smaller share of the industry's total output and employment. Additional import relief would thus give unnecessary protection to firms that account for a large part of domestic output. Adjustment assistance, on the other hand, will focus on the specific problems of individual firms and groups of workers that need help, without increasing the burden on restaurants, households, and other users.

New import restraints would also have exposed U.S. industry and agriculture to claims for compensatory import concessions or retaliation against U.S. exports to the detriment of American jobs and exports.

With regard to the effect of import restraints on the international economic interests of the United States, which I am required to consider under the Trade Act of 1974, I have concluded that such restraints would be contrary to the

U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system which would, in turn, promote domestic growth and full employment.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by firms producing stainless steel flatware articles on which the USITC found injury, by communities impacted by imports of such articles, and by their workers.

This determination is to be published in the **FEDERAL REGISTER**.

GERALD R. FORD

NOTE: The President's memorandum is printed in the Federal Register of Tuesday, May 4, 1976 (41 FR 18403).

411

Message to the Congress Transmitting the First Report of the United States Sinai Support Mission. *April 30, 1976*

To the Congress of the United States:

I am transmitting herewith the First Report of the United States Sinai Support Mission. The Report describes the manner in which the Support Mission is carrying out its mandate to implement the United States' responsibility for the early warning system in the Sinai, as specified in the Basic Agreement between Egypt and Israel of September 4, 1975, and the Annex to the Basic Agreement. This Report is provided to the Congress in conformity with Public Law 94-110 of October 13, 1975.

The Report includes an account of American participation in the establishment of the Sinai early warning system during the first six months following the enabling legislation, a report on the current status of the early warning system, and a discussion of the actions now under way which will permit the Sinai Support Mission to conclude its construction and installation phase by early summer. When this preparatory period has been completed and we have had an opportunity to observe the ongoing operations of the early warning system, we will be better able to assess the feasibility of making technological or other changes that could lead to a reduction in the number of American civilians assigned.

As you know, the functions which the American volunteers are performing were requested by the Governments of Egypt and Israel. We have accepted responsibility for these functions, with the concurrence of both Houses of the

Congress, because we believe the United States has an important stake in a stable Middle East.

The early warning system in the Sinai is an important investment in peace. It helps support the Basic Agreement between Egypt and Israel which represents a significant step toward an overall settlement. Continuing presence of the system provides in itself an important contribution to stability in the area and to the creation of a climate of confidence so necessary for further progress toward a just and durable peace.

GERALD R. FORD

The White House,
April 30, 1976.

NOTE: The report is entitled "Report to the Congress, SSM, United States Sinai Support Mission, April 13, 1976."

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Message to the Congress on Adjustment Assistance for the Stainless Steel Flatware Industry. *April 30, 1976*

To the Congress of the United States:

As required by Section 203(b)(2) of the Trade Act of 1974, I am transmitting this report to the Congress setting forth my determination to provide adjustment assistance to the U.S. stainless steel table flatware industry producing flatware covered by the affirmative finding of March 1, 1976 of the United States International Trade Commission (USITC) under section 201(d)(1) of the Trade Act. As my decision does not provide import relief to that industry, I am setting forth both the reasons why I have determined that import relief is not in the national economic interest and other actions I am taking to help the flatware industry, workers, and communities.

I have decided, considering the interests of both the American consumers and producers, that expedited adjustment assistance is the most effective remedy for the injury to the U.S. stainless steel table flatware industry and its employees as a result of imports.

My decision was based upon my evaluation of the national economic interest. A remedy involving import restraints would have resulted in higher prices for American consumers at a time when lowering the rate of inflation is essential.

Import restraints would also have exposed industrial and agricultural trade

to compensatory import concessions or retaliation against U.S. exports. This would have been detrimental to American jobs and damaged U.S. exports.

Adjustment assistance can benefit the smaller enterprises which have been seriously injured. Import relief would disproportionately benefit firms which produce a substantial part of domestic output, and which are able to compete with imports.

Adjustment assistance is consistent with the President's efforts to control inflation, including costs to all consumers, which import restrictions would raise.

In considering the effect of import restraints on the international economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by stainless steel flatware firms producing articles covered by the USITC report, and their workers, and communities.

GERALD R. FORD

The White House,
April 30, 1976.

413

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Narcotic Sentencing and Seizure Legislation. *April 30, 1976*

THERE IS transmitted herewith a bill containing the Administration's proposals for increasing the effectiveness of the criminal justice system in protecting the American people from trafficking in heroin and other narcotic drugs.

This legislation, which implements the recommendations contained in my special message to the Congress on drug abuse, would, if enacted, improve our ability to put the traffickers of hard drugs into prison. It would also improve our ability to take the easy profits out of drug trafficking as well as our capacity to detect and apprehend drug smugglers.

Considering the terrible toll that narcotic addiction takes, it is a matter of

high priority that our laws be made more effective in curbing the narcotic traffic. If the law does not act as a deterrent, the risk of arrest and seizures becomes merely a cost of doing business for the narcotic traffickers. Unless there exists a reasonable certainty of punishment after conviction, traffickers have little reason to get out of the trafficking business. I therefore respectfully urge that these proposals receive consideration this session.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rocke-

feller, President of the Senate.

A section-by-section analysis and a copy of the draft bill were also included as part of the release.

414

Exchange With Reporters on Arrival at Fort Wayne, Indiana. *May 2, 1976*

GOOD AFTERNOON. It's nice to be in Fort Wayne, back in Indiana again. Why don't you go ahead with your questions?

REPORTER. What happened in Texas, Mr. President.

THE PRESIDENT. Well, I was naturally disappointed with the results in Texas. We expected to get a fair share of the delegates. We didn't. I think the main problem was a great many crossovers from people who ordinarily vote in the Democratic primaries and some apathy on the part of some Republicans.

We had real good leadership with Senator John Tower as my chairman. We had some wonderful volunteers. I think we had a good program. After all, we have taken this country out of the worst economic recession in the last 40 years, cut inflation 75 percent, increased jobs over 2,600,000. But we lost, and I don't think it will have any serious impact on our winning in Kansas City and winning in November.

Q. What does it do to the Indiana primary?

THE PRESIDENT. I've always thought Indiana was a very important primary, regardless of what happened in any one of the other 31 or 32 States.

Q. Mr. President, Ronald Reagan has made our military position something of a campaign issue. If I understand you correctly, though, you have at your fingertips the power to kill every living thing on the Earth. Why would we need to have any more military might than that?

THE PRESIDENT. Well, I believe that our military forces are fully sufficient to

carry out their assigned mission, which is to deter aggression, to protect our national security, and to maintain the peace. And the capability is in the Army, the Navy, the Air Force, and Marines, and it is unfortunate that my opponent takes just some of the figures, a part of them, and tends to distort the overall picture.

But when you look at the overall picture and get the reports from the Joint Chiefs of Staff, from the Secretary of Defense, I am convinced that our military forces are fully adequate to carry out the mission which, as I described, was to deter aggression, protect our national security, and maintain the peace.

Q. Mr. President, should you be elected to a second term and Secretary of State Kissinger decides not to return, who would you appoint as his successor?

THE PRESIDENT. Well, I wouldn't want to speculate on that. In the first place, I know of no disposition on his part to leave the Cabinet.

Q. If Mr. Reagan seems to be gaining some growing support, do you plan to change any of your stances on the issues?

THE PRESIDENT. I don't see why I should. When you look at the overall record—and that is what I'm running on, I'm not running on campaign promises. I'm running on the accomplishments of what we have done in the last 21 months. As I indicated, we have taken this country out of the worst economic recession in 40 years. We are at peace. We have employment up to an alltime high. We've cut inflation 75 percent. That's a good record, and I think it is supported by a majority of the American people.

Q. Do you still think you will have the delegates you need when you get to Kansas City locked up before you go?

THE PRESIDENT. I think we will have enough delegates in Kansas City to win.

Q. Before you get there?

THE PRESIDENT. We expect to win in Kansas City.

Thank you all very much.

NOTE: The exchange began at 7:02 p.m. at the Air National Guard Baer Field.

415

Remarks and a Question-and-Answer Session at a Public Forum in Fort Wayne. May 2, 1976

Thank you very, very much, Bob Orr, Ambassador Ross Adair, Mayor Bob Armstrong, Jerry Heller, reverend clergy, distinguished guests, ladies and gentlemen:

It's great to be back in Indiana where the only thing taller than corn is the

basketball players. [*Laughter*] I think it was an outstanding display of neighborliness when the University of Michigan had the most defeats—3-0—and Indiana became the top college basketball team in the Nation. We tried hard, but congratulations.

This great area of the Middle West is oriented toward the business of agriculture in both the production of farm products and the manufacture of farm equipment and supplies.

It is important that you know where I stand on farm policies that affect so many of you. I want you to know what I am for and what I am against.

I am against policies that would have farmers producing grain for Government storage bins and a Government check. I am strongly opposed to subsidized imports from foreign lands. I don't want our American farmers competing against the treasuries of foreign governments, and I don't want American grain used as a pawn in international relations.

America is the greatest agricultural power in the world, and agriculture is an all-important element in determining the shape of America's future. I want to make sure that agriculture and the businesses dependent on it receive their full share of America's increasing prosperity.

Let me tell you of a specific proposal that affects the family farm and affects the small businessmen of this country. I have recommended to the Congress that we increase the estate tax exemption from \$60,000 to \$150,000. I furthermore propose that we extend the time of payment of whatever the estate taxes may be for a period of 25 years.

The aim and the objective of this proviso—this change in our Internal Revenue Code—is to make sure, to make positive that we preserve the family farm concept and that we preserve small business.

I think most of you know, from what I have said, how deeply I feel about American agriculture. And let me say that the programs and policies that we are implementing and that we are executing are in no small measure due to our Secretary of Agriculture, Earl Butz.

I will be forever grateful to the State of Indiana for lending me one of your native sons to help run the Department of Agriculture and all related agricultural policies. I believe very strongly that Earl Butz is one of the finest Secretaries of Agriculture our country has ever had.

Under the leadership of this administration and Secretary Butz, we have made solid gains in agriculture. The last 3 years have registered the highest net farm income in America's history.

American farmers have been relieved of heavy and costly burdens of Govern-

ment intervention. They have been given new freedom to meet the challenge of the open market and have been rewarded for it.

Not only is farm income improving but business is improving—employment is going up and inflation is going down. We have succeeded in stalling the vicious, upward spiral in the cost of living.

The Department of Commerce figures for the first quarter of 1976—that's, January, February, and March—show an annual rate of increase in the Consumer Price Index of less than 3 percent. That's a reduction of 75 percent from the double-digit inflation that we had when I was sworn in as President in August of 1974. We did this because we had the right policies. And, those policies that are strong and constructive and fundamentally sound will be continued.

Now, the majority in the Congress obviously believes that more direct Federal intervention in our economic recovery is required to keep it going. They believe higher Federal spending on a host of social programs will stimulate a more rapid recovery and that the Government should provide jobs for everybody if private employers don't do so fast enough. They believe that an acceptable price for economic recovery is a new round of higher and higher and higher inflation. They believe that bigger Federal deficits are required to keep the recovery underway.

They are wrong. You know it and I know it. We will not achieve the full employment by letting the Federal Government plan and control the national economy. We will not achieve full employment by relying on the Federal Government to create hundreds and hundreds of jobs, of deadend jobs, at the taxpayers' expense.

We have not based this recovery—which is one of phenomenal success—on government quick fixes, but on the solid foundation of the American private enterprise system and, as a result, we are in a far better shape economically than we were a year ago. And we are going to get better and better in the months ahead.

Speaking of these big budget-busting bills that the majority in the Congress wanted to thrust down our throat, let me cite some facts: Since I have been President, I have vetoed 48 bills. That is, I think, a record. Thirty-nine of them have been sustained by the Congress, and in the process of those vetoes, we have saved the taxpayers \$13 billion.

May I add, if the Congress sends any more of these budget-busting bills down to the Oval Office, they will be vetoed again and again and again.

But material progress in the United States will be of little comfort to us if

millions of Americans are forced to live in a climate of fear. I favor bringing the criminals who cause that fear to swift and certain justice. Making it easy on criminals invites crime, and the certainty of punishment helps to stop it. I have no patience with those who picture the violent criminal as a helpless victim of society's neglect.

Many violent criminals are not victims of society but the enemies of society, and they should be dealt with as the public enemies that they are. Most crimes in this country are committed by a small hardcore of lawbreakers, many of whom are chronic offenders. Too often these violent and habitual criminals are returned to the streets without spending a day in jail, even after they are convicted of a serious crime.

This is not justice to the victims of crime or to society as a whole. And I intend to see to it, as far as the Federal Government is concerned, that justice is done in the United States of America.

I strongly advocate mandatory, minimum sentences for criminals who repeatedly commit Federal crimes that harm or endanger others. Last week I sent to the Congress legislation to require the imposition of mandatory, minimum sentences for those convicted of trafficking in heroin and other similar narcotic drugs. Sentences under this legislation would be at least for 3 years for the first offense and for at least 6 years for subsequent offenses or for selling hard drugs to minors. Parole would not be permitted.

I have recommended that the Congress reduce the criminal use of handguns by imposing mandatory sentences for crimes involving the use of a handgun or other dangerous weapons. Disarming law-abiding citizens is not the way to do it.

And I'm also very glad to report that the Law Enforcement Assistance Administration and the Administration on Aging last week signed an agreement to target law enforcement resources on the criminal threat to the elderly in America.

I think the success of our law enforcement efforts can be seen in the fact that the rate of increase in crime nationwide has been cut in half during this administration. It's still too high, but it went from 17 percent in 1974 to 9 percent in 1975.

What we are trying to do will reduce it in the future even further, and we are going to work at it. Of course, we must pursue the constitutional goal of ensuring domestic tranquility with due regard for the constitutional rights of those accused. But the time has come to put more emphasis on the protection

and safeguarding of the rights of the innocent victims of crime; and that is the watchword of this administration.

The peace that America enjoys internationally and the progress and the prosperity that we are working for at home will profit us very little unless we ensure for ourselves the most basic blessings of liberty, including the ability to walk in our own streets, raise our own families, and live our own lives in safety.

We are at peace abroad for the first time in many, many years, and now we must concentrate on restoring domestic tranquility to our cities and to our suburbs. This is a task befitting our very, very best efforts during this historic year, our Bicentennial. For the wisdom of our Founding Fathers was that: Without peace there can be no true progress and without respect for the law we can have no true freedom.

Thank you very much. I'm ready for the first question.

QUESTIONS

PANAMA CANAL NEGOTIATIONS

[1.] Q. I'm a resident of Fort Wayne. And with your permission I'd like to break this question into three parts for clarity, all right?

THE PRESIDENT. Sure. [*Laughter*]

Q. According to the information that I understand from the news media, you are willing to give concessions considerably in the coming negotiations on Panama.

THE PRESIDENT. Do you want me to answer that now?

Q. Well, we could go through.

THE PRESIDENT. Why don't you give me all three, and I will answer them simultaneously.

Q. All right. [*Laughter*] Go ahead.

Recently, this last week, we had a man, by name, it's Major Wright, who had been stationed in the Canal Zone for years. And from the information I got from him, I think we all got from him, was the fact that as far as South America is concerned, Brazil is the largest nation and the President of Brazil favors our continuing holding the canal; also, that we are the buyers of 80 percent of Panama's output. Is this information correct?

THE PRESIDENT. Let me first say that I will tell you what my views are on the negotiations concerning the Panama Canal. But I was very interested this after-

noon to see my good friend—I am sure he is a good friend of yours—Senator Barry Goldwater on “Meet the Press.”

I am reading from the text of what the question was and what the answer was by Senator Goldwater. He was asked this question: “On the Panama Canal, you raised it earlier in the program, who is right on that? Whose position do you support, Ford or Reagan’s?”

Senator Goldwater: “I have to support Ford’s position on it, and I think Reagan would, too, if he knew more about it.” [*Laughter*]

But to answer the second question, the nation of Brazil does not support the position of the United States holding, as it is the situation down there in the Panama. As a matter of fact, the Government of Brazil is standing with the Panamanian Government, and that’s also the inference here in Senator Goldwater’s statement where he supports me and is opposed to Governor Reagan.

Q. What do you plan to do with the Panama Canal if you are elected President? [*Laughter*]

THE PRESIDENT. Well, let me tell you what we are doing. In the first place, in 1964 there were very serious riots in Panama; 24 people were killed, 20 Panamanians, and 4 Americans. And following that riot, the then President of the United States, Lyndon Johnson, undertook negotiations with the Government of Panama. And those negotiations have continued under President Johnson and then under President Nixon and now under my administration.

And what are we trying to do? We are trying to establish a long, long-term treaty of about 50 years that would guarantee to the United States the right to defend, to maintain, and to operate that canal.

All the experts that I have talked to tell me that the economic usability of the canal is no longer than 50 years. In fact, it is getting less and less valuable as a means of transportation today than it was 5 or 10 years ago. So, what we are trying to do is to make sure that during the economic lifetime of the canal, we have an absolute control over it.

Now, let me just add one other point. The people who say we should break off negotiations have to be very realistic—that if those negotiations are broken off, you will find that those riots will come back. We will have not one but many, and you will inevitably have bloodshed.

Number two, you will antagonize 25 nations in South America, including Brazil, and that is about 309 million people.

And in order to adequately defend the canal if negotiations are broken off, you will find that the United States, instead of having 10,000 GI’s down there

to defend it, you will have to have 20,000 or 30,000, and maybe they can't defend it.

Now, what we're trying to do—as Senator Goldwater says, where he agrees with me and he disagrees with Governor Reagan—we're trying to protect the economic and the military capability of that canal as long as it's necessary in our national security.

RHODESIA

[2.] Q. Mr. President, if I am correct, Dr. Kissinger, in Africa, stated that the Americans favor the position of the black nationalists in Rhodesia for gaining control of the nation, or at least their numerical control of the government. What would you do if the 15,000 Cuban troops stationed in Angola intervened for the black nationalists in Rhodesia?

THE PRESIDENT. First, let me say that the orders are—and Dr. Kissinger stated them publicly while he was in Africa—that we would not use any military force; we would not provide any weapons for any of the nations that might try to put pressure on Rhodesia. That's a matter of firm, hard statement.

Now, the question as to if 15,000 Cubans went into Rhodesia. In the first place, they have been warned that any adventurism by them will be met by appropriate action by this country. We have diplomatic, we have economic, and we have military options, and whatever they do, we will exercise the necessary option to make sure that they are not successful.

Now, let me add one final point: The policy of this country is a policy that led to the establishment of the United States. We, as Americans, became America because of self-determination. That's how we became the United States of America. That's what we have traditionally believed in.

We have also believed in the absolute guarantee of minority rights in any country, and furthermore, we, under no circumstances, believe that Cuba or the Soviet Union or any outside country should have the authority, the power, or the capability to interfere with internal affairs in Africa, period.

SOCIAL SECURITY PROGRAM

[3.] Q. Mr. President, do you plan to continue to lead our country to full socialism, primarily through social security, with a guaranteed income and with welfare? Where are we going to stop continued taxation for these programs and let the individual plan for the portion of his own support for living, retirement, and health care—come from him?

THE PRESIDENT. Sir, if you're asking me if I'm going to do away with social

security, the answer is categorically no. And if you want to do away with social security, I would vigorously oppose you.

Q. My point is the continuing escalation of it.

THE PRESIDENT. Well, social security now pays benefits to roughly 33 million people. And those people over their working years have contributed, along with their employers, to a fund from which they expect to get certain benefits. And the Government, in my opinion, has an obligation to see that their payments do result in the benefits that they are getting.

I think social security can be improved, but under no circumstances, for example, would I invest the proceeds into the stock market or would I, in any other way, interfere with the financial integrity of the Social Security Trust Fund.

Those 32 million people are expecting their benefits to come from our Government for which they made payments, and I am going to make darn sure they get them.

COURT-ORDERED SCHOOL BUSING

[4.] Q. I would like your views on forced busing.

THE PRESIDENT. The question is, what are my views on forced busing?

I have consistently, for a period of 10 or more years since the first Supreme Court decision, called the *Brown* case—I have said that court-ordered, forced busing is not the way to achieve quality education. There are better ways of achieving quality education, and some judges have recognized it and others have not.

Our emphasis should be on quality education and we can do it without those kind of court orders that, I think, have gone beyond the proper remedy.

FEDERAL AID TO CITIES

[5.] Q. I'm from Portage, Michigan.

THE PRESIDENT. It's good to see a Michigander here. [*Laughter*]

Q. Thank you.

If we return you to office, what will you do to clean up our all-American cities like Detroit, or Gary, or any cities like that?

THE PRESIDENT. Well, there are two very important programs. Number one, I would make sure that the Congress pass what is called revenue sharing, which has been in existence now for almost 5 years.

I recommended a year ago that it should be extended for 5¾ years. This takes Federal funds and gives that money to local officials, such as your good mayor here, Bob Armstrong, and those people that are associated with him, or the

mayors in Gary, or in Indianapolis. And that money can be utilized by local officials to solve local problems in Fort Wayne, Gary, Indianapolis, Terre Haute, Evansville, et cetera. That's one program. It's a good program and the Congress better pass it.

Number two, I would extend what we call the Community Development Act, which is the kind of legislation and funding that in many, many cities—I am not familiar with the facts here in Fort Wayne, but I know at Indianapolis and in Grand Rapids and in many, many other cities we have had a rebuilding of the downtown, primarily as a consequence of what is called the community development program.

And number three, I would urge the continuation, as I have, of what we call the Law Enforcement Administration Act, which is a federally authorized program to give Federal money to local units of government and to the States to help those cities and States enforce their laws, improve the administration of justice, and to make sure, as I said in my prepared remarks, that we protect the victim and we convict and send to prison the criminal.

Q. Mr. President, in Detroit there is downtown—I'm sure you've been downtown—all the windows, everything is boarded up. I mean, like you can go on "Meet the Press" or something—they had a news thing on the housing in Detroit and there are people moving out, people moving in, but they're not staying because of the things that are happening. What can you do if we put you in office to maintain living abilities in there?

THE PRESIDENT. There are two things we can do. The Federal Government can do what I have indicated to you, through revenue sharing and the Community Development Act.

The Secretary of HUD was in Detroit about 2 weeks ago working with the mayor of Detroit, trying to give help and assistance to the mayor of that city to get rid of that blighted area with the help of the Federal Government.

But there is one thing I think we all have to remember: It is the obligation of the city and its citizens and its local officials to also make a substantial contribution to the improvement of their city.

Q. Mr. President, we have time for one more question.

THE PRESIDENT. One here and one over there. All right.

AID TO THE DISABLED

[6.] Q. I am from Fort Wayne. I would like to know what your views are on education, especially for the handicapped and for all veterans?

THE PRESIDENT. The question is, what is my view on the aid to the disabled, including veterans.

I think you will find that in the budget that I submitted for the next fiscal year, we increased the funds for aid to the disabled. In the case of the Veterans Administration, I submitted to the Congress the largest budget in the history of the Veterans Administration, including the biggest budget ever submitted by a President for hospital care, which would include care for the disabled, including research on how to help the disabled, in one way or another, so that they can utilize what physical capabilities they have to a higher degree.

So, as far as money is concerned, it's more than it has ever been made available in the past, and I hope and trust it will be productive in helping our disabled Americans, including disabled veterans.

DEFENSE SPENDING

[7.] Q. I am from Fort Wayne, Indiana, and I would like to know if we are going to start spending money on military facilities in case of an emergency?

THE PRESIDENT. The question is, are we going to spend money on the military for instances of emergency, is that correct?

Well, I recommended a budget to the Congress in January of \$114 billion. That's the biggest defense budget in the history of the United States. Let me take a minute to make a point that, I think, is one that should be made.

When I became President, in August of 1974, I found the following: I found that the Congress, over a period of 9 years, had cut the military budgets by over \$45 billion. The net result of those congressionally imposed reductions, if we didn't do something affirmatively about it, then we could be in trouble in 2 years or 5 years.

So, in January of a year ago, I recommended at that time the largest military budget in the history of the country. And, unfortunately, the Congress last year did what they had done in the last 9 years. So, this year I recommended \$114 billion, about 25.5 percent of our total Federal expenditures. This year, we have convinced the Congress that they should not reduce that budget. And my new Secretary of Defense and myself can claim credit in convincing the Congress that we need more money, not less money; and they darn well better stop cutting the military budget.

Q. Thank you.

NOTE: The President spoke at 8:08 p.m. at the Allen County War Memorial Coliseum. In his opening remarks, he referred to Lt. Gov. Robert D. Orr of

Indiana, E. Ross Adair, Ambassador to Ethiopia 1971-74, and Gerald D. Heller, chairman of the Fort Wayne President Ford Committee.

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Remarks at a President Ford Committee and Friends for Ford Reception in Fort Wayne. May 2, 1976

FORREST, let me thank you and all of you for being here. I understand this is a combination of the President Ford Committee and the Friends of Ford Committee.

I appreciate especially the fact that we got a lot of good Republicans here, but I've met some very good Democrats, and we are grateful to have all of them here, too. [*Laughter*]

Now, let me just make a comment or two. I know we have got great leadership for my candidacy in the State of Indiana. I know that we have a great many excellent volunteers, like all of you Republicans, Independents, Democrats. I know we have got a good platform, and I know that if we go out with those telephone calls and if we go up and down the block and tell the story, we can win.

Let me give you some of the things I think are worthy of use when you talk to somebody who has a question or two.

I only ask you to go back to August of 1974, when I was sworn in as President, and let me tick off some of the problems we had and then let me recount for you what I think is the record, the achievements between August of 1974 and May of 1976.

In August of 1974, we were unfortunately having 12 percent or more inflation. In the first 3 months of this year, 1976, we have cut the rate of inflation down to under 3 percent. That is a 75-percent reduction in the rate of inflation. I think that's real progress.

Secondly, when I was sworn in, we were on the brink of the worst economic recession in the last 40 years. And there were many in the Congress, particularly on one side of the aisle, which were trying to get me to spend more and more money to try and do something about the economic problems we had. But we didn't do that. We decided that it was better to take a firm, steady course and not bust the Federal Treasury. And in the process, as I noted tonight over there at the Coliseum, I vetoed 48 bills; 39 have been sustained, and we saved the taxpayers \$13 billion. Now, that's progress. But then we were faced with unemployment that was going up and employment that was going down.

People were saying, "Well, you had to do this." I recall George Meany¹ saying we were going to have unemployment of over 10 percent, and Hubert

¹ AFL-CIO president.

Humphrey was saying that we were going to go into a depression. We kept our cool, we held off the Congress, we came up with good programs, and the net result is from last April and May when we were at the depths of the recession until right now we have gained 2,700,000 new jobs and our employment is at the level of 86,700,000, which is the most gainfully employed in the history of the United States. That's not a bad record.

And then I think when you take a look at what we've tried to do in the way of tax reform, let me refresh your memory. When I went to the Congress in January of 1975, when I submitted additional tax proposals later, when I went to the Congress in January of 1976, I called first for a \$28 billion tax reduction. The Congress gave us about two-thirds of it.

We now want an additional tax reduction on July 1 of 1976. I think it is the right thing to do, 75 percent of it to go to the individual taxpayer, 25 percent to business. And here's a selling point that I think can make a lot of sense. We have recommended that the personal exemption be increased from \$750 to \$1,000 and what does that do? That gives the kind of necessary tax relief to the middle-income taxpayer, the people from \$9,000 a year up to \$25,000 or \$30,000. That group of our taxpayers have gotten short shrift in the last few years, and we want to give them the kind of a tax break they deserve because they are the hardest working, the ones that have the drive, the initiative, and actually they are the biggest taxpayers.

So, we have got a good tax program which includes additional incentives for business to expand, to modernize. So, whether you are looking at holding down the rate of growth of Federal spending, whether it is vetoing bills that Congress sends down to the Oval Office, whether it is good tax relief or a good tax reform bill, we are on the right side. And we have done it all in 20 to 21 months.

Now, let me talk for just a minute about some of these charges that have been made in the heat of the campaign.

People get a little rash and they get a little excitable on the rhetoric that they use, and I understand that. And yet, I have to come to the conclusion that sometimes people believe it. But I have been saying the right thing on Panama. Now, let me just tell you the kind of support I got today that I think ought to convince anybody. If any of you happened to listen to Barry Goldwater on "Meet the Press," today, you might have heard Barry Goldwater say the following. He was asked a question by one of the interrogators, and here is what he said; first, the question: "On the Panama Canal, who is right on that? Whose position do you support? Ford's or Reagan's?"

Here is what Senator Barry Goldwater said, and I quote precisely: "I have to support Ford's position on it"—the Panama Canal—"and I think Reagan would, too, if he knew more about it." [*Laughter*]

Then, I might turn over to another page. Later in this program, Barry was asked another question, and he had several paragraphs, but he ends up with this: "I would like to see Governor Reagan stop this talk on it,"—again, referring to the Panama Canal—"because some day someone is going to say 'Well, now Governor, what would you do about it?'"

So, I think Barry Goldwater is not a bad backup witness on my behalf, and I think it totally destroys the credibility of Governor Reagan with all the charges and comments that he has made about the Panama Canal.

We are trying to do the responsible thing and we are not going to give away our national security interests in that canal, I can assure you of that.

But now let's take one quick minute to talk about what we also inherited in the way of military problems when I became President. I was sworn in in August of 1974 and for the previous 8 or 9 years, under different Presidents, the Congress had repeatedly slashed the defense appropriation bills recommended to the Congress by Mr. Johnson and by Mr. Nixon. As a matter of fact, in that 7- or 8-year period, the Congress has cut almost \$50 billion from the military budget request by President Johnson or President Nixon—the money for the Army, the Navy, the Air Force and Marines—and that was beginning to have an ominous problem on our doorstep.

So, when I became President in August, in January of that year I recommended the largest military budget in the history of the United States so we could turn the corner and get the kind of money that was needed to keep our strategic and conventional military capabilities unsurpassed.

Unfortunately, the Congress last year again made a reduction. This year I asked for the largest military budget, \$114 billion, the largest in the history of the country. And this year, I said to the Congress, if you cut that budget I will veto it because it is too small.

Do you know what has happened? They are now supporting the kind of a budget that I am fighting for and the kind of a budget that we need to keep our military capability second to none, unsurpassed, whether it is in strategic capability or conventional arms.

Let me give you just a thought or two on the kind of funding that I included: \$1,500 million over this year's funding for our strategic military forces; \$1 billion more on research and development for weapons systems down the road—2, 3, 5, 10 years from now.

In the case of conventional forces, we have the largest spending program for the Navy in the history of the United States. What I am saying is we are strong today and what I want to do is to make sure that that strength continues in the years ahead—and we are going to do it.

Now, let me just conclude with this final comment: We are going to win Indiana; we are going to Kansas City, and we are going to get that nomination, and we are going to win in November 1976.

But I must say, a lot depends on what happens in Indiana on Tuesday and, therefore, every one of us, to the extent, to the time that we can, should make a maximum effort, by telephone, by door-to-door canvassing, by getting people to the polls, by convincing individuals that we have a record that is best for America and the challenger doesn't have any record. And we can do better for America with what we have done and what we will do in the future.

Thank you very, very much.

NOTE: The President spoke at 10:13 p.m. in the Three Rivers Ballroom at the Marriott Inn. In his opening remarks, he referred to Orvas E. (Forrest)

Beers, chairman of the Allen County Central Committee.

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Remarks and a Question-and-Answer Session at a Briefing on General Revenue Sharing in Indianapolis, Indiana.

May 3, 1976

Thank you very, very much, Mayor Bill Hudnut, Governor Bowen, Lieutenant Governor Orr, ladies and gentlemen:

It's really a great opportunity, which I thoroughly enjoy, to have the opportunity of being here in Indianapolis. And I appreciate very greatly, Bill, your invitation to join with you on this occasion.

Bill, as you know, is a former colleague of mine in the House of Representatives, and I am honored to meet with all of the distinguished representatives of government throughout the State of Indiana.

Our system of government was founded on the concepts of shared responsibility. Working properly, this system lets you solve your local problems rather than looking to Washington for every answer. After decades in which more and more power accumulated in Washington, the flow fortunately has been reversed. We are on the road to restoring the balance between Federal, State, and local units of government.

The reason, as I see it, is very, very simple. It is the success that you have made of the general revenue sharing program since 1972. As the Republican leader of the House of Representatives in 1972, I was a strong and very early advocate of the revenue sharing concept.

If there is one thing that the Federal Government is good at, it is collecting taxes. On the other hand, it has been very clumsy and very unsuccessful in dealing with local problems. Since 1972, nearly \$25 billion in revenue sharing funds have been returned to the 50 States and 39,000 local units of government throughout the United States. Seven billion dollars has been returned in 1976 alone. Twenty-five percent of these funds were spent on public safety. Nearly 22 percent was on education, and other substantial amounts went for public transportation, environmental protection, and for health services.

And the greatest success of revenue sharing is this: Washington involvement is held to the absolute minimum in the operation of the program. Only one-eighth of 1 penny of every revenue sharing dollar goes to the bureaucracy in Washington, D.C. Less than 100 employees are involved in Washington in this program. That is the kind of a program we ought to extend and enlarge and broaden in all of our operations between the Federal Government and local units of government.

Because general revenue sharing has been such a major success, last April I proposed a 5-year 9-month extension of the law. This proposal would increase funding by almost \$1 billion for a total of \$39,850 million, with more than \$808 million of that going to the State of Indiana.

A year ago I urged the Congress to act quickly on this proposal, to ensure that money will continue to be available for vital services in your own State and in your respective local units of government. Unfortunately, the Congress has been working in slow motion. I think that's putting it mildly.

Finally, last week a House subcommittee of the Committee on Government Operations took the first action on revenue sharing. The full Committee on Government Operations will consider the matter this week.

But this is only a first step. We—that is you and myself—need to keep the pressure on the Congress until they pass a general revenue sharing bill that will do an even better job than the one that expires December 31 of this year.

That's where I need your help. We need the help that you've given, and I know many of you have been to Washington, talked to your Congressmen, talked to your Senators, but the real test comes this week in the House committee and next week or the following week on the floor of the House of Representatives. And then we go to the Senate to see what can happen there.

It's a little hard for me to understand the opposition to general revenue sharing. Many, I think, seem to resent the fact that the program allows local officials rather than Washington bureaucrats to decide how your tax dollars are going to be spent.

My opponent for the Republican nomination is confused about revenue sharing. It was part of his \$90 billion blooper. He has stated his opposition categorically to revenue sharing on the grounds it is simply another Federal program piled on top of all of the others, a view which is totally contrary to the facts. You know better.

And think, for a moment, what this program of returning tax funds to your State and local communities has meant. In Indiana, as of 1 month ago, Federal revenue sharing totaled \$528 million-plus, and by the end of this calendar year some \$629 million will have been paid to the State, to the counties, to the cities, and to the townships of the State of Indiana.

What will happen—and this is the question we all have to ask—what will happen if the critics of revenue sharing have their way? Here in Franklin County it could mean cutbacks in the county's highway, law enforcement, and many mental health programs, among many others.

If the \$16 million which Indianapolis is getting back in the current fiscal year were eliminated, the city would have to curtail police and fire protection, sanitation, public transportation, health and education, to name just a few. Revenue sharing is working. Let's get the program extended and go on from there.

Another program that is helping reduce government redtape is the community development block grant program. At my direction, since the law was enacted in 1974, Federal regulations for this program have been reduced from 2,600 pages to just 25 pages. Application forms have been reduced from 1,400 pages to only 50 pages, and the whole process between application and approval has been reduced from 2 years to less than 2 months.

So, in conclusion, our goals are the same—to restore more responsibility to local and State levels of government and to reduce the interference and the redtape of the Washington bureaucracy. We've made some very substantial progress towards those goals in the last 21 months, and we can make a lot more in the next 4 years.

So, now, let's get to your questions. Thank you very much.

QUESTIONS

Q. Mr. President, I'm Steve Moberly, a member of the Indiana legislature. One of the criticisms of the Federal revenue sharing program has been that local people, ordinary people on the local level do not have input in how the money is spent or the priorities in the spending of the money. My question has two parts: Do you consider that a problem and, if so, what can be done to remedy it?

THE PRESIDENT. I do not consider it a problem because local people have won very direct control over how the money is spent, because every 2 or 4 years they can change their township or county or city officials if they don't think the job is being done properly.

In many other cases, I know because I visited a good many communities and mayors and other public officials, when they make decisions as to how general revenue sharing should be spent, they have community meetings around the city or in the local units of government and get the advice, the counsel, the recommendation of where these funds should be allocated.

So, in two ways, I think, the public can be deeply involved in the expenditure of general revenue sharing at the local level: One, by the election process; and, two, by good leadership in local units of government, giving the public an opportunity to participate in the process of determination.

Q. Mr. President, I'm Jack Patterson, a member of the City Council here in the city of Indianapolis. What is your projection for local manpower programs for the coming year and what flexibility on the local level do you anticipate?

THE PRESIDENT. Well, in the so-called CETA program [Comprehensive Employment and Training Act], comprehensive education training legislation, I requested full funding for that program, and I signed just a week or so ago a supplemental appropriation which would include funds up through the end of the current fiscal year. And the Congress and myself will be working together to try and fund the program for the fiscal year which begins July 1.

I have asked for the full funding of that program, including the full funding for next year, next calendar year, of what we call the summer youth program at a figure of about \$440 million, something in that magnitude. I think the CETA program has been a good one, and I think we can look back and say that it did a good job during the economic recession that we had in part of last year.

And so, I believe that we should fully fund it. I think we have to gradually

phase out some of the supplemental programs as our economic progress improves in the months ahead, but not CETA as such.

Q. My name is Robert Defiance. I'm the director of the local community action against poverty program. Knowing your views on such programs as reflected by the ever-decrease in recommended funding levels, the question is—and it's the same question I asked Governor Carter last night, similar to the one that was asked—is that at the demise of that program, how do we ensure meaningful citizen participation in revenue sharing and, especially, how do we include the economically deprived, at the decisionmaking level, regarding the use of such funds?

THE PRESIDENT. Well, as I said earlier in response to a prior question, I think it depends to a substantial degree on the local leadership in the individual community.

I was looking over the list of projects that had been approved by the mayor and other officials in the city of Fort Wayne, and although I didn't go into the detailed process by which those individual decisions were made, it appeared to me that the mayor and his colleagues in local government had to have an input from the citizens of the city of Fort Wayne. I know that is true in my own former home of Grand Rapids, Michigan. The city council, the mayor there, do get from the local citizens an active process where the local citizens make recommendations.

Now, I have to concede that they don't always approve everything that is made as a final decision, but at least the process seems to work, and I think it can work with the leadership of the mayor and other local officials.

Q. Mr. President, I'm Jack Dustman, a small businessman. Like many in the private sector we are deeply concerned about the ability to raise capital which will allow industry and commerce to expand, provide more jobs, more meaningful jobs. How do you view revenue sharing as having impacted this area of capital formation or how it might in the future?

THE PRESIDENT. I don't believe that revenue sharing has had a significant impact on the Federal expenditure picture. It is somewhere between \$6 and \$7 billion a year. Our total expenditures for all Government services at the Federal level—I recommended \$395 billion. The Congress has raised that figure to \$415 billion.

So, \$6 or \$7 billion out of either \$395, which is the expenditure figure I proposed, or \$415, which the Congress has recommended, revenue sharing is not a significant part of our overall Federal expenditures and the benefits that come from revenue sharing I think far outweigh the burden on the Federal Treasury.

Now, I do recognize the problem of business trying to get the necessary capital to expand their facilities, to update their equipment. We have tried to do the following to help in that regard. We have been steadily trying to keep pressure on so that the Federal deficit gets less and less and if the Congress follows my budget recommendations this year and for the next 2 years, we will have a balanced budget in fiscal year 1979. And that means that there will be no additional Federal spending or borrowing, I should say, in the capital markets of this country, which makes it easier for private industry to go to the capital markets. They won't be crowded out, as they have been in the past on some occasions, by the Federal Government.

And in addition, tax policy has an impact on capital formation. I have recommended, a year ago, a very substantial reduction in Federal taxes—\$28 billion in a 12-month period, 75 percent of it to go to individuals with an increase in the personal exemption from \$750 to \$1,000 and to give to business more rapid amortization, to give business other tax incentives so that they can more easily establish their financial credibility and more easily borrow to expand their facilities.

Q. Mr. President, I'm Dr. Dwight Schuster, member of the Board of Public Safety in Indianapolis. I'd like to ask in regard to the vital area of law enforcement and fire protection, and in important areas as the funding of the police and fire pensions, what are your thoughts about this area and particularly with the use of revenue funding?

THE PRESIDENT. Well, the money that is given to Indianapolis or Fort Wayne is literally without strain, some very broad guidelines, but nothing that really ties the local units of government down to any specific program. I assume that the judgment of the local officials will be to properly allocate them. And if they need that money to hire more policemen or more firemen or to buy more equipment, that's possible.

The pension, the matter between local government and the beneficiaries, is a contractual arrangement. And how that is financed is a local determination. It is not something that is dictated one way or another by general revenue sharing. That money goes to Indianapolis. Indianapolis has the right to allocate its resources, including that money, as it sees fit, and the financial or contractual relationship between the city and any pension fund is a matter between those parties, not the Federal Government.

Q. Mr. President, I am an executive in the philanthropic and volunteer association field. Since revenue sharing has a kind of parallel in respect to the way in which the government deals with the whole volunteer area of our life,

I wonder if you would care to comment about your attitudes on the question of whether the government should or should not continue to give incentives for private giving and other incentives for volunteer associations? It seems to me this is a very important part of the whole question of our sharing these obligations.

THE PRESIDENT. All my life, including my political life, which includes 25 years in the Congress and about a year as Vice President, and 21 months as President, I have strongly supported voluntary organizations that raise money and try to solve local problems, whether it's the Red Cross, the United Way, family services, a number of organizations that are so important to involve local people both individually and financially to meet local problems.

Therefore, I strongly support the provisions in our Federal tax laws that provide an incentive for individuals to give to voluntary organizations so that voluntary organizations can continue to do the fine job that they have at the local level. And I vigorously oppose those who propose that we do away with these tax incentives for individual charitable giving, whether it's to your church, to the Red Cross or to any one of the other local organizations.

Q. Mr. President, I am from Troop 240, local city, and this is kind of off the subject, but we are making a Bicentennial trip to Washington, D.C. this summer and I wonder if there is any chance of talking to you—[*laughter*]—

THE PRESIDENT. Let me say the chances are very good. [*Laughter*] But if you will give one of my aides your name and the time you will be there, and if I am in town, we will see that you get to the Rose Garden and I have the opportunity of meeting you and all of your associates individually.

Q. Mr. President, I am Mayor Bob Campbell of Lebanon, Indiana, a town of 10,000. My question, Mr. President: Will the formula under the new law, will it be revised so much as to affect the smaller cities and towns? In other words, what I am asking, will the new formula be near the old formula?

THE PRESIDENT. When I submitted the proposed extension of the present law for an additional period of 5 years and 9 months, we wrestled with the problem of whether to try and tinker, so to speak, with the formula that was agreed upon 4 years ago between the Governors, the mayors, and the county officials.

It was my judgment—although there are, I think, some inequities in the formula—that if that whole issue was reopened, it would be a substantial roadblock in trying to get the legislation extended. So, with some reservations on my part, it was my decision that, in order to facilitate getting the legislation extended, we would not reopen this very controversial issue of how to divide

the money, the formula by which the money is spent and/or allocated, I should say.

So, with these reservations we submitted, for all intents and purposes, the same formula. That formula, of course, is based on need on the one hand, on tax efforts on the other, and population as the third factor.

Inevitably, when you're dealing with 50 States and with 39,000 local units of government all over this great country, there always will be some inequity. But basically I think it has been sound, and if we had opened that can of worms, we would be a lot further away today from getting the legislation than we are at the present time.

Q. Mr. Ford, my name is Sherry Lockery. I was lucky enough to come today. My father is out of town. He's with the Hoosier Associates. I just wanted to say Mr. Carter has accused you of being weak and backing off from Mr. Reagan's political pressure. On the contrary, I would like to commend your campaign style. Instead of attacking and degrading other candidates, instead of spending a lot of time defending your positions against malicious rumors and unreasonable criticisms, you and your campaign workers are dealing with your qualifications and standing on your own platform and beliefs instead of concentrating on the flaws and faults of other candidates.

Thank you very much.

THE PRESIDENT. Thank you.

Q. Mr. President, I am State Senator Eldon Tipton. I'm from the other party. [Laughter] I want to make a slight statement, that I am one of the public officials in Indiana, especially in my area where the tax base has been so eroded by both State and Federal Government, that no responsible public official there challenges or opposes revenue sharing. But, Mr. President, is it not true that when the State government and Federal Government has excess funds or surplus funds that they can use to revenue share, have they not actually over-taxed the people, sir?

THE PRESIDENT. I don't necessarily think so, as far as the Federal Government is concerned. In our case—and I speak only with authority about the Federal Government—I will let each of the 50 Governors respond to your question vis-a-vis State government.

But the Federal Government for primarily economic reasons will have a peak and valley situation where revenues will be less than we anticipated. And for economic reasons, expenditures must be greater than might have been anticipated so that a program such as revenue sharing, which is a fixed program that we can count on as far as the Federal Government is concerned, and you at the

State and local units of government can count on in your situation, shouldn't be varied predicated on the deficit or the surplus of the Federal Government.

We can solve our Federal Government deficit without injuring or taking away general revenue sharing. We are in the process right now, if Congress will go along with my budget recommendations, of not only slightly expanding general revenue sharing but we will also achieve a balanced budget. So, I think the two programs, one a balanced budget, which we are going to get under my administration, and general revenue sharing can go down the same road at the same time.

Q. I'm Peggy Smith from Carmel, which is one of the fastest growing communities in the country, and we are now in the process of having our third special census in 3 years. I was wondering what the chances are of having the allocation recognize special census figures?

THE PRESIDENT. On the basis of equity, I would think it ought to. I am somewhat surprised, to be frank, that those special census figures are not incorporated in the annual allocations of general revenue sharing.

May I ask you, if you have a special authorized, special census and it does indicate that you have expanded significantly in population in the next year, are not those new census figures incorporated in the funds that are made available?

Q. No, they recognize part of it but not the total.

THE PRESIDENT. Well, as I said, I think there is equity in your position. I will have somebody on my staff, and I will personally take a look and see what that situation is.

It is my judgment that there ought to be recognition where you have an authorized special census taken and those figures indicate a significant increase in population. It seems to me there ought to be some consideration given to it in the next year's allocation of revenue sharing.

Q. What would you suggest I do to follow up on it?

THE PRESIDENT. Well, I will follow up on it. But I would suggest that in the consideration of the legislation by the House as well as the Senate, certainly you could go to your Senators or your Congressmen and point that problem out. If it is true in Carmel—Carmel, Indiana—it undoubtedly is true in many other communities throughout the country. And it seems to me that in the legislative process some recognition could be given to that particular problem.

Q. Mr. President, my name is Reginald Jones. I'm the director of the Indianapolis Skill Center. I would like to know, based upon CETA and funds coming through CETA, the fiscal year money has already been determined, how much

we should receive this year. And looking at that, I feel that the unemployment rate is still high, at least in our communities, in the poor communities.

What can be done in terms of getting more funds through the prime sponsor if the prime sponsor feels that it is needed to reach more unemployed and underemployed people?

THE PRESIDENT. Who do you mean by the prime sponsor? The city, or the—

Q. I mean both—city and State.

THE PRESIDENT. I think that is a matter that you have to deal with at the local level. We do expect to have the CETA program fully funded at the Federal level and the disbursements made to the local units of government, as far as the Federal Government is concerned.

There are some very limited contingency funds at the Federal level which are available for unusual circumstances so the Federal officials can meet a crisis in one area or another, but they are relatively small in comparison to the total.

But the basic problem I think you raise, within the funds that are given by the Federal Government to the local officials, your problem is dealing at the local level except for the contingency funds which I mentioned at the Federal level.

Q. Mr. President, I'm Harold Negley, the Indiana superintendent of public instruction. As you know, education funds from the Federal Government sometimes come in such categories, so tightly wound about with both redtape and categorization that the local schools cannot fully utilize them. How can you help us in the face of a Congress that seems to want to exercise more and more control over education to turn that back?

THE PRESIDENT. The best way to do it, Mr. Superintendent, is to get the Congress to approve what I recommended in January, which is a consolidation of the 26 categorical grant programs of the Federal Government in the field of education into one block grant program so that \$3,200 million for primary and secondary education can be divided between the 50 States and the various school districts throughout the country.

We have a provision in what I recommended to hold school districts harmless, and we added \$200 million in there to get some more enthusiasm by State school superintendents. And, as I understand it, most of you have supported what we are trying to do and to try to get local units of government to also back us.

The problem, as you very validly point out, is we have 26 categorical education programs, each at the Federal level having its own bureaucracy, and they all require forms to be filled out, applications to be processed, and rigid, inflexi-

able distribution of the funds. And in education, as you undoubtedly know better than I, the problems of education in Indiana aren't necessarily the problems of local education in Tennessee or those in California are not identical with those of New York.

So, what we want to do is to give more money to local education with local authorities having more flexibility so that the end result is that educators are not filling out applications, they are teaching children. That's what we want.

Well, we are working hard to get our program through, and I appreciate the support of your State school superintendents' organization. And I hope we can get the support of local school administrators because it is just as important to them as it is to you at the State level. And certainly the principal beneficiary would be the students, the children, and that is why I think all of us are working as hard as we can to convince the Congress to do something about it.

Q. Hi. My name is Andrea Asburg and my grandfather is city councilman in Lebanon, and he brought me with him.

THE PRESIDENT. It is nice to see you, Andrea.

Q. And we have to have an excuse—[*laughter*]—

THE PRESIDENT. You want me to write you an excuse? [*Laughter*]

Q. No, my mother already wrote it. And would you please sign it? [*Laughter*]

THE PRESIDENT. I better read it before I sign it. [*Laughter*]

Thank you very, very much, Andrea. It's nice to see you. Good luck to you.

Q. Mr. President my name is Norman Tablar. I'm an Indianapolis lawyer. I have a question about currently pending antitrust legislation which is of concern to businessmen here in Indiana. As you know, Congress is currently considering an antitrust package which includes a so-called *parens patriae* provision which would enable a State attorney general to sue for damages on behalf of citizens allegedly harmed by Federal antitrust violations. I know that you have expressed reservations about this *parens patriae* concept. And my question is, if a bill is passed which includes this provision will you veto it?

THE PRESIDENT. I am basically opposed to the concept of *parens patriae*, particularly as it originally appeared in the House version and, as a result, we worked with the House Committee on the Judiciary and got some major modifications in that particular provision.

And for the benefit of those who might not know what we the original thrust, it would give to the 50 States' attorney generals the right to sue on the basis of Federal law. I think the Federal authorities ought to handle any antitrust action predicated on Federal law.

Now, if the State of Indiana or any other State wants to have any antitrust legislation, or price-fixing legislation, that's fine; that's their responsibility and the State's attorney general then could carry out the mandate of the State legislation.

But I basically have serious reservations about the concept of *parens patriae*. Now, there is a possibility that it will be a part of a large package of antitrust legislation. I do believe there ought to be some updating of present antitrust legislation, and I won't get into the details.

So, what we have to do is try and either to get *parens patriae* out of the legislation or to get it so significantly modified that it is carefully restricted, because there is the possibility that some good things in antitrust legislation will come to my desk. And like any other piece of legislation, as the Governor knows, at least we at the Federal level don't have an item veto—we have to weigh the good and the bad and then make a final judgment. I want it excluded—if not excluded, significantly modified—and we will have to wait and see what actually comes down before I make a final decision.

Q. Hi, my name is Bill Pordand. I'm a medical student, but you don't have to write me an excuse for today. [*Laughter*]

As a Hoosier taxpayer it always seems that we are near the bottom of the totem pole when it comes to the amount of money that we get back, as compared to the amount of money we have put into the Federal Government. What can we do, as Hoosier taxpayers, to get more of that money back?

THE PRESIDENT. That is a real tough problem, and I think you have to understand the historic background of it. Thirty or 40 years ago a number—I don't say all, but a number—of the Southern States were not as economically successful as some of the Northern States, more disadvantaged people there, lower per capita income, et cetera. And in order to try and make all States relatively even for a period of time, the Federal Government was putting more Federal tax money on a proportionate basis into some of those less well-off States.

Now, however, there has been a vigorous burgeoning of economic activity and success in many of those Southern States, so the situation isn't quite the same today as it was 40 years ago.

But once you get a program on the books, it is very difficult to get any changes in it. We have to recognize that some of the circumstances are changed. Today, in many of our northern, major metropolitan areas, we have more disadvantaged than in some of the larger metropolitan areas in the South.

It would seem to me that a commission which we have been discussing in the White House, would be a way at least to study the problem and to perhaps

within a relatively short period of time recommend to the Congress some re-adjustment in these overall formulas which have to be updated, I think, on the basis of equity for the years ahead.

Q. Mr. President, I am sorry but we have time for only one more question.

THE PRESIDENT. Yes, sir.

Q. Mr. President, my name is Charles Cosby. I'm a city councilman from Madison, Indiana, and we have a Government installation near our city, the Jefferson Proving Ground, and this installation is engaged in testing powder and equipment, Army-type equipment, and it's pretty much self-supporting.

I understand that they get paid for most of their work that they do and they have very little Army personnel. Most of it is civilian personnel, and it is a great asset to the community as far as income and so forth. There is a proposed rumor that this place is to be closed. I would like your comment on what you think about closing these types of installations?

THE PRESIDENT. It is my understanding, if my recollection is accurate, that at the present time there are roughly 4,200 people employed there. It is my understanding that the Department of Defense is not undertaking an examination as to the closing but as to a reduction from around 4,200 to 3,600. And no final decision has been made because under the guidelines that were established by the new Secretary of Defense, whenever there is a major modification or in some cases a closure of a military facility, there first has to be an economic impact statement, and number two there has to be a public opportunity to see whether on a military basis that facility ought to be reduced or terminated.

That process will take anywhere from 6 months to a year. There will be ample opportunity for people who differ with it to come in and present their case on either the impact statement or the other statement.

Now, without saying this is going to happen—and I am not saying it is going to happen because I am not going to interfere in that process—but let's be realistic about it. We had a military establishment of 3,600,000 men on active duty during the Vietnam war. The war is over. Today we have 2,100,000 military personnel. We have cut back about 1,500,000 in active duty military personnel. So, you cannot have the same base operation with 2.1 million as you can when you had 3.5 million or 3.6 million. You just can't do it, and particularly if you are not using ammunition today as you did in 1965 to 1972.

So, there has to be some contraction someplace, and from the point of view of efficient operation, as you contract the size of your military, you have to take a look at your base operations.

Number two, I think it is well to point out that from 10 years ago until this

year the Congress cut military appropriations by \$50 billion. They cut last year from the budget that I submitted, which was the highest military budget in the history of the United States, Congress cut \$7 billion.

What does that mean? That means that if we were predicating a base operation or a military installation operation on \$100 billion and they cut it \$7 billion-plus, we have to find some way to make some adjustments. So, Congress, if there are cutbacks in military installations, Congress is a substantial, if not the major, contributor to those reductions. And so, I would urge you take a look how your Senators and Congressmen voted and find out whether they voted to cut the defense appropriations.

We are trying right now to convince the Congress they should not make those kind of reductions in the budget that I submitted in January. We are making some headway. I think they are finally getting the word, but some of them ought to answer to you and others in that area because if you have a cutback, they—the Congress—could be a major contributor to that situation.

Q. Thank you, Mr. President. I'm Carolyn Lickerman, a member of the City Council in Columbus, Indiana. And we are quickly running out of our nonrenewable fossil fuels, and we have about 25 years to find an alternate energy source, and I don't feel that we are facing up to this problem. And I wondered what is being done and what we can do?

THE PRESIDENT. A year ago in January I submitted to the Congress a comprehensive energy program which was predicated on two concepts. One, we had to stimulate conservation of energy in this country, and I am encouraged to read a report that came across my desk a few weeks ago that showed that overall we saved between 3 and 4 percent in the conservation of the use of energy last year. But that isn't enough. We have to also stimulate more production of domestic energy sources. I think we have got to stimulate more exploration and drilling of domestic oil. I think we have got to do the same in natural gas. You can't do it as long as you have the heavy hand of government regulation on the industry. People are not going to make any investments.

So, what I have tried to do is to get the Congress to decontrol gas and oil so we can do more domestically. And let me tell you why. When I became President, we were importing roughly 31 percent of our total use of oil in this country, petroleum. Today, we are now importing from foreign sources 40 percent or more of our total petroleum use in this country.

We have got to do more to stimulate domestic production or we will be at the control, or we will be controlled by foreign oil importers, and we don't want that.

At the same time, we have to stimulate greater production of domestic coal. We are now producing about 600 million tons of U.S. coal at the present time. By 1985, we have got to produce about 1,200 million tons of U.S. coal, which happens to be our greatest fossil fuel availability in this country. But beyond that, we have to do research and development in nuclear energy to make it safer and to make it more reliable because nuclear energy in the long run is a very economical way to produce energy in this country.

And thirdly, I think we have to do some increased research and development in what we call exotic methods of producing energy. Solar energy, for example—I increased in the budget that I submitted for this coming fiscal year a 35-percent increase in funds for research and development in solar energy and about a 25-percent increase in geothermal energy research and development.

These are the things that in time will be very productive. But, we can't say tomorrow we are going to have an answer with these exotic fuels. But unfortunately we are not moving as fast as we should on new sources, and I am working with the Congress very hard to get them to act rather than to road-block us.

Q. Thank you very much, Mr. President.

NOTE: The President spoke at 9:12 a.m. in the Egyptian Room at the Murat Shrine Temple at the briefing for local officials. In his opening remarks,

he referred to Governor Otis R. Bowen and Lt. Gov. Robert D. Orr of Indiana.

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The President's News Conference of *May 3, 1976*

GOOD MORNING. Won't you all please sit down. I am ready for the first question.

QUESTIONS

INDIANA PRIMARY

[1.] REPORTER. Mr. President, Time magazine has published a poll to the effect that Jimmy Carter would defeat you if the election were held today, by a fairly substantial margin. In light of that and your rather convincing defeat in Texas to Mr. Reagan on Saturday, do you feel that Indiana's primary on Tuesday is absolutely crucial for you to stop any momentum that Mr. Reagan might be generating right now?

THE PRESIDENT. We have always considered the Indiana primary a very important primary. As you well know, I have been in Indiana twice; my wife has been here on one occasion. We have a first-class organization. We have the support of the Governor. We have the support of many public officials as well as many, many volunteers, which is an indication of how important we feel the Indiana primary is.

I think any apathy on behalf of my candidacy will have been gone as a result of the situation in Texas. So we think the situation is crucial, and we are making a maximum effort here in Indiana.

Q. Would you care to comment on the Time magazine poll?

THE PRESIDENT. Well, the final poll comes in November, and there will be ups and downs. And I'm sure, just as soon as some of these issues are laid before Governor Carter, we will find some erosion of his support. Some of the positions that he was forced to take in the last few days, I think will have some adverse impact on his popularity. But the final test comes in November.

THE PRESIDENT'S DELEGATE SUPPORT

[2.] Q. Mr. President, you have said you expect to win in Kansas City. But after Mr. Reagan swept all 96 delegates in Texas, will you have enough delegates to lock up the nomination before you get to the convention, or will your getting the nomination depend on the uncommitted delegates in Kansas City?

THE PRESIDENT. We certainly hope, and I personally believe, when we get to Kansas City we will have a sufficient number of delegates to win the nomination.

Q. On the first ballot?

THE PRESIDENT. We believe so.

Q. And is that predicated or will you have it locked up before California, or does it depend on California?

THE PRESIDENT. We will make that judgment when we get down to the last primary.

ALABAMA, GEORGIA, AND INDIANA PRIMARY ELECTIONS

[3.] Q. Mr. President, you are on a couple other State primary ballots tomorrow, in addition to Indiana. How do you evaluate your chances for victory in the other two, in addition to Indiana, and what would be the impact of your candidacy if you lost all three in one day?

THE PRESIDENT. We certainly would be very disappointed, but we don't think we are going to lose all three. We think our chances are very good here in Indiana, for the reasons that I have given: We have the full backing of the Gov-

ernor and many public officials; we have a great volunteer organization, and I think any apathy has gone as far as my candidacy is concerned. So, we think Indiana will do very well by us. And the other two States, why, we certainly are underdogs in both Alabama and Georgia, but we are going to make, as we have in the past, a real sincere and very maximum effort in the time that is allowed. After all, I do have to be President, and that takes a lot of time, so we can't campaign as much as my opponent does in the primaries.

Q. Do you rate your chances in Alabama and Georgia as under those in Indiana?

THE PRESIDENT. As I said, we believe the opportunities here in Indiana are very good. In Alabama and Georgia—yes, we are underdogs, so there is a difference in the two situations.

FEDERAL ELECTION COMMISSION

[4.] Q. Mr. President, with the compromise bill reconstituting the Federal Election Commission out of conference and pending in Congress this week, have you had a chance to review it, and can you confirm a report that you will sign it if it passes as it came out of conference?

THE PRESIDENT. As you know, I strongly recommended that the Congress only approve the necessary defects in the basic law to perfect the constitutional questions raised by the Supreme Court. If Congress had done that promptly, the whole matter would have been resolved a good many weeks ago.

When that bill gets down to the White House, the Oval Office, I will give it very careful, very precise analysis. But at this moment, I can't make any categorical statement as to whether or not I will sign it. Congress, as of this moment, has not yet approved even this so-called compromise bill. So, when they finish their work, after almost 90 days of inaction, then I will make a judgment as quickly as possible.

SOUTH KOREA

[5.] Q. Mr. President, yesterday Governor Carter said that the South Korean Government was a dictatorship and has repressed and called for the gradual withdrawal of troops there and withdrawal of atomic weapons. What is your view on that?

THE PRESIDENT. The South Korean Government is a very important part of our overall Pacific strategy. I think to make any judgment of that kind by Governor Carter, who hasn't had the benefit of the detailed briefings and the detailed recommendations of our top military leaders, I think his judgment at this point is not a very solid one.

We have a good program, a good military relationship with the South Korean Government, and as far as I am concerned, we're going to keep them strong because they are a part of our overall strategy for the Pacific.

JIMMY CARTER

[6.] Q. Mr. President, continuing with Mr. Carter, at a news conference here yesterday, he accused you of weakness as a President. He said that Reagan had pushed you around in the campaign, and you had backed off on issues to accommodate his political pressure. How would you react to those charges?

THE PRESIDENT. That's a very inaccurate charge. There's an old Michigan saying that people who live in glass houses shouldn't throw stones. Let me make an observation how Governor Carter has really been pushed around.

For example, when he raised the question of ethnic purity, I think within 24 hours he made a flip-flop. And then, up until that situation arose, why, he had been opposed to the so-called Humphrey-Hawkins bill. And again, within 24 to 48 hours, he came out and endorsed the Humphrey-Hawkins bill.

So, I think his flexibility in this campaign is pretty well recognized. The minute any of his Democratic opponents hit him on something, he backtracks and takes another position. I know of no position that I have taken from the very beginning to now, where I have changed my basic policy or program based on any campaign rhetoric of Governor Reagan.

THE PRESIDENT'S RECORD

[7.] Q. Mr. President, yesterday Senator Barry Goldwater said that on a scale of conservatism there might not be 2 percent worth of difference between you and Ronald Reagan. In light of that and the very conservative nature of Indiana Republicans, what is the choice that you offer over Governor Reagan tomorrow?

THE PRESIDENT. There is a very basic choice. A person who has had some experience on a very important job, such as being President of the United States, is a very vital factor. When individuals have to go to the polls and make a decision between somebody who knows the job, who has done a good job, whose policies both domestically and internationally have been successful—and when you look at the record that I offer where we have cut inflation by 75 percent in the 20 months that I have been President; where we now have employed in this country 86,700,000 people—an alltime record; when you look at the fact that I have restored integrity and public confidence in the White House—this is a record based on experience and success, and I don't think the voters are going

to trade that for campaign rhetoric, which is what my opponent has basically based his campaign on.

PANAMA CANAL AS A CAMPAIGN ISSUE

[8.] Q. Mr. President, from the questions you receive around the country at Republican forums, it's apparent that Governor Reagan is controlling the issues in this campaign. In your post-mortem on Sunday, when you met with your campaign leaders, I wonder if you can tell us if you have devised any kind of strategy to perhaps take the offensive instead of always reacting to the charges from the former Governor?

THE PRESIDENT. I don't think there will be any basic change, Aldo [Aldo B. Beckman, Chicago Tribune Press Service], in our campaign program, between now and Kansas City. We always recognized it was going to be a very hard contest and it would probably get more heated as the campaign went on, but we have had some help and assistance just within the last 24 to 48 hours.

For example, on "Meet the Press" Sunday, Senator Barry Goldwater came out very forthrightly on my behalf as far as my policy on the Panama Canal is concerned. And this kind of assistance, I think, helps to undercut the validity and the credibility of Governor Reagan's various charges.

And again, I would like to quote from the "Meet the Press" program on which Senator Goldwater appeared. And when he was asked this question on the Panama Canal—the question is as follows: "On the Panama Canal, who is right on that? Whose position do you support? Ford's or Reagan's?" And Senator Goldwater said the following: "I have to support Ford's position on it, and I think Reagan would, too, if he knew more about it."

RONALD REAGAN'S DELEGATE SUPPORT

[9.] Q. Mr. President, if you should lose the three on Tuesday, which you don't expect to do, Governor Reagan would have more delegates than you have, I believe.

THE PRESIDENT. Well, I'm not going to speculate on something I don't think is going to take place.

THE PRESIDENT'S CAMPAIGN EXPENSES

[10.] Q. Mr. President, Senator Paul Laxalt, the Citizens for Reagan chairman, this morning, underscored what he called the inequities of the Federal election law, saying they favor you, especially in air travel. He cited some \$600,000.

And Governor Reagan this morning at a news conference raised the question on the propriety of campaigning on the one hand and holding a revenue sharing meeting at the same time, this close to a primary. Will your expense report show this trip as political or nonpolitical?

THE PRESIDENT. The expenses of this trip will be paid entirely by the President Ford Committee, and the expenses that we pay to the Federal Government will be a matter of public record. And the arrangement for the full payment of this trip coincide precisely with the Federal Election Commission's reports and regulations.

Now that we're talking about full disclosure and who owes how much to the Federal Government, let me raise a question concerning Governor Reagan. I refer here to 1975 income tax payments.

I have fully told the public what I paid, which was 42 percent of the income that I earned in 1975. It's a matter of public record. The press knows it; it's been printed. As far as I know, Governor Reagan has not made public any of his 1975 income tax payments. He has not disclosed it to the press or to the public, and I suggest respectfully that he do the same on this disclosure as we're doing, as far as paying the Government for this particular trip, which is total.

Q. I think the issue was that other candidates have to pay for their expenses and air travel reservations in advance, and this being one of the inequities they cite.

THE PRESIDENT. We are paying precisely according to the regulations of the Federal Election Commission, and we pay in toto, and we are doing it as required by the Federal Election Commission. We have to go by their rules and regulations.

THE PRESIDENT'S SUPPORT OF REPUBLICAN NOMINEE

[11.] Q. Mr. President, should you somehow lose the nomination in Kansas City, would you be able to support the nominee?

THE PRESIDENT. I have traditionally supported the Republican candidate for the Presidency. I supported Senator Goldwater in 1964.

Q. So, that's a yes?

THE PRESIDENT. I have traditionally supported and I would expect to support the Republican nominee.

Q. Along the same lines——

THE PRESIDENT. I don't expect to lose, however, in Kansas City. [*Laughter*] I wish I could get the same comment from my opponent, who I expect to lose in Kansas City. [*Laughter*]

POSSIBILITY OF THE PRESIDENT ACCEPTING VICE-PRESIDENTIAL NOMINATION

[12.] Q. Would you consider accepting the number two spot on the ticket, should you lose?

THE PRESIDENT. Of course not.

Q. Of course not?

THE PRESIDENT. Of course not.

Q. Why is that, sir?

THE PRESIDENT. Well, I think that, first, I anticipate winning in Kansas City and I, therefore, don't anticipate any opportunity to serve as Vice President. I have had that experience, which was helpful in the job that I'm now doing as President. And since I expect to win in Kansas City, I don't think that option will be open to me.

THE ECONOMY

[13.] Q. Mr. President, Ronald Reagan says your claims that the state of the economy is good are false. He says the country is \$95 billion more in debt than it was a year ago and goes further into debt at the rate of \$2 billion a week. Can any President really get the Nation out of debt?

THE PRESIDENT. I believe that the policies that I have of restraining the growth of Federal spending, cutting that growth in Federal spending by better than 50 percent and, at the same time, saving, if the Congress goes along with my budget that I have submitted, we can have a balanced budget by fiscal year 1979. And the Governor's accusations about the economy are totally without foundation.

We have taken this economy from a year ago—where we were in the midst of the worst economic recession for the last 40 years—and by the Ford administration doing the right thing, we have now cut the rate of inflation by 75 percent. For the first 3 months of this year, the rate of inflation is under 3 percent. And we have regained 2,600,000 jobs throughout the United States in the last 12 months. Furthermore, for the month of March, we have the most people gainfully employed in this country—86,700,000 people.

I should think Governor Reagan would applaud this kind of healthy economy instead of trying to scare people as he apparently is trying to do. The economy is sound, it is getting better and is getting better. And the way he talks, he seems to invite economic difficulties, and I think that's the wrong approach.

DIVISIONS IN THE REPUBLICAN PARTY

[14.] Q. Mr. President, in the last 48 hours or so you have indicated that you think Ronald Reagan has been rash with some of the issues, and you have

accused him outwardly of distorting some of the figures. There was a time when your campaign people were accusing Reagan of taking the campaign to the point where it would be divisive for the Republican Party. Do you worry that you are now taking the campaign to a point where it would hurt the party's chances in November?

THE PRESIDENT. I don't think so. But when accusations are made without foundation or there is a distortion of statistics, I think it is my obligation to the American people to tell the truth and to explain what the facts are in the total context.

So, it has not been a personal attack. It has just been an attempt by me to set the record straight, which is an obligation of the President of the United States.

Q. Is it serious to accuse Mr. Reagan of being rash or distorting issues? Do you worry about that hurting the Republican Party?

THE PRESIDENT. I don't think the Republican voters, once they have heard the facts, will think that what I am saying is divisive.

SECRETARY OF STATE KISSINGER

[15.] Q. Mr. President, one of the lessons being drawn from the Texas results is that the voters there tend to believe what your opponent has been saying about Secretary of State Kissinger and his view that second place is satisfactory for America militarily.

What are you doing to determine if that is indeed the way they feel, and what would Dr. Kissinger's position be if it is indeed an influencing factor?

THE PRESIDENT. Dr. Kissinger has always said to me that at any time that I felt that his staying on as Secretary of State was a political liability, he would be glad to step aside. That is a matter of public record. But again, if I might refer to my good friend and, I think, outstanding statesman in the United States Senate, Barry Goldwater, let me quote what Barry Goldwater said yesterday about the Secretary of State.

Here is what he said on "Meet the Press": "I think the Secretary of State can be said to be doing a good job." I respect Barry Goldwater, and it's my judgment that the Secretary of State has done a good job, and I'm glad that Senator Goldwater agrees with me.

Q. The question really is: Do the voters agree at this point?

THE PRESIDENT. I think they will. I think they do.

Q. How about tomorrow here in Indiana?

THE PRESIDENT. Well, we will wait and see.

EMPLOYMENT

[16.] Q. Mr. Ford, you have praised yourself in several months, in recent months at least, for reducing unemployment and also for reducing inflation. But the fact remains that in a number of large, inner-city urban areas, a large percentage of minority and poor people remain unemployed and probably will remain unemployed despite the expansion of the economy.

My question to you is, given this fact and the fact that the current comprehensive employment training programs and summer youth employment programs are not absorbing a lot of people who would like to have jobs, don't you think it is time for the Federal Government to step in and, on a limited basis, perhaps, have maybe an economic Marshall plan?

THE PRESIDENT. Every year since I have been President, I have recommended the full funding of what we call the summer youth program, which is primarily aimed at helping to give summer jobs to the youth in our major metropolitan areas.

This is a program which costs about \$450 million a year. I recommended it every year, and I have proposed it for this coming summer. In addition, as our economy improves, we are going to get more job opportunities for the youth in our major metropolitan areas, including minority youth.

But, in addition, I have recommended the full funding of what we call the CETA program, which helps to train young people as well as others to get better jobs or to get jobs in the first instance. That program, plus the summer youth program, plus some of the other programs that we utilize to help cities with their own problems, I think, will be helpful in trying to get the problem that you raise—which is a very legitimate one—solved by this Government.

Q. But the fact remains that there would be a large percentage, literally millions of people in the inner-city areas who would still not have jobs. And I would like to know, as a Republican candidate for the Presidency, do you have any specific programs in mind that would solve this aspect of the problem?

THE PRESIDENT. We have the program of getting the total economy back where it's prosperous, better than it ever has. And five out of the six jobs in this country are in the private sector. And that is where the best job opportunity is for young people, including those in major metropolitan areas.

So, with the summer youth program, with the CETA program and the other programs we have, we think we can solve that problem, and I believe we will.

POLLUTION CONTROL AND THE ECONOMY

[17.] Q. Mr. President, given the upturn in the economy and corporate

earnings and profits increasing, does the administration expect to take a more forceful approach in seeking air and water pollution compliance as to purchase of expensive pollution control devices and implementation of these programs?

THE PRESIDENT. Well, the EPA has the responsibility in that area for clean air and clean water. I believe that their program is basically sound. In some instances, they have gone too far. And I think up in Indiana, as I recall, in the Gary area, they were too rigid, and they required that several of the plants of one of the major steel industries up there close. I think in retrospect that was a bit too arbitrary.

So, I think the EPA has to have a balance in the way it approaches the responsibilities that it has. Sometimes they are too tough. On some occasions, I think they may have been too lenient. But that is the responsibility of the EPA. And I personally feel that we have to establish a balance between what is attainable in clean air and clean water and, at the same time, continue our economic prosperity.

Q. Would too much forcefulness in applying this create some reverse economic problems?

THE PRESIDENT. Well obviously, up in the Gary area, when they forced the closing of several steel plants, it did have an adverse economic impact on that particular community. Whether that was totally arbitrary or not, I'm not the best judge of it. But obviously the closing of those several plants had an adverse economic effect on that area.

DEMOCRATIC CROSSOVER VOTE IN PRIMARY ELECTIONS

[18.] Q. Good morning, sir. Some of your aides tell me you're not too pleased about one aspect of the Texas primary, possibly several aspects, but particularly the fact that Democrats crossed over, that you don't feel Democrats should be selecting a Republican Presidential nominee.

THE PRESIDENT. We, of course, believe that Republicans ought to be the major factor in the selection of a Republican candidate for the Presidency. On the other hand, any Democrat who's philosophically in tune with my philosophy, I welcome as a supporter, whether it's in the primary or whether it's in the general election. But the basic responsibility of Republicans is to support their nominee for the convention in Kansas City.

Q. I gather then that you are not terribly distraught at the idea of large cross-over votes as long as you get them? Is that correct?

THE PRESIDENT. That's a very practical way to approach it. [*Laughter*]

EMPLOYMENT AND SCHOLARSHIPS FOR FOREIGN EXCHANGE STUDENTS

[19.] Q. Mr. President, this is not on the election, but I trust you enough to give you my vote tomorrow.

THE PRESIDENT. We thank you very much.

Q. The reason I want to ask you this question is because this is a field that I am interested in because I work with international young people who come to our country to get an education. Now, we have had problems here in Indiana. Many of these young people come on their own, and they want a job, to work. Many of them cannot get permission from the immigration [Immigration and Naturalization Service] to work, which makes it very hard on them even if they do have a job available.

And I wonder, sir, if you might be able to give us directions in what we can do to help these friends, because, you see, this is going to help promote good international relations for us when they get back home. So, that's why I am interested in this.

THE PRESIDENT. I'm a very strong supporter of the student exchange program where young Americans go abroad and spend a summer and, in some cases, a year in many, many foreign countries. And I'm a strong supporter of foreign students coming to the United States, whether it's for 3 months or 12 months.

But we do run into a practical problem. The practical problem is we have unemployment at the national average of about 7.5 percent today. And it does raise the question whether these foreign students coming here take a job away from an American who wants a job to raise his family or to get his education.

And I believe that the Immigration and Naturalization Service has to be very discreet. In some areas of the country where unemployment is not serious, some cities such as those in some instances in Texas, I see no reason why there can't be flexibility and young people would have the opportunity to work.

But in some areas of very high unemployment, unemployment of Americans, I think the Immigration and Naturalization Service has to take a somewhat different point of view because, basically, we have to be concerned about jobs for Americans.

So, it has to be on a selective basis and, if so, I think it can be handled appropriately. I agree with you entirely that these young Europeans or others coming to this country for an education, a living experience with American families, may go back in most instances and are good will ambassadors for the United States.

I strongly believe in the program, but there has to be a balance when it comes to them getting jobs, competing with Americans who also need a job.

Q. I see. One other question: Is there any provision in the United States Government which offers scholarship aid to international students who want to come to our country to study?

THE PRESIDENT. Oh, yes, the Fulbright program and related programs are aimed precisely at trying to get foreign students to come to the United States on a scholarship basis. And that program or those programs have been very, very successful. As a matter of fact, a number of the heads of government around the world today in one way or another have come to the United States and studied and gone back to their country and become leaders in their own individual country. And they did come here in many instances on the basis of scholarships.

Q. Thank you very much, and good luck tomorrow.

THE PRESIDENT. Thank you.

INTERIOR DEPARTMENT GRANT TO GEORGIA

[20.] Q. Mr. President, Governor Reagan has accused you of taking unfair advantage of your incumbency by dealing out Federal grants, at fortuitous times, in advance of primaries. Yesterday, the Associated Press quoted your Interior Secretary, Thomas Kleppe, as acknowledging that at least part of the reason for awarding a \$1 million grant to Georgia for a river reclamation project was the upcoming primary there tomorrow. What's your reaction to this sort of candor?

THE PRESIDENT. I had no foreknowledge of what the Secretary of the Interior was going to do. I did know from a previous trip to Atlanta, Georgia that the people of Georgia were very interested in a reclamation or park beautification program on the Chattahoochee River. They have been working with the Department of Interior for a long period of time in trying to preserve the shorelines of that river in the metropolitan area of Atlanta.

The Secretary of Interior made that decision himself. I'm sure it was meritorious, but if he made it in the last 24 hours, I think it won't be harmful. But I don't know how beneficial it will be.

Q. Do you plan to speak with him about his timing either to commend him or—

THE PRESIDENT. I think a Cabinet officer can handle those kind of matters himself, and I have no intention of contacting him concerning this very meritorious award. The money came out of the Land and Water Conservation Act. It's a preservation of a very historic area in the Atlanta area, and I think

it's a good decision. But you will have to ask him or get any question answered by him as to why he did it in the last 48 hours.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you all very much. Good to be in Indiana.

NOTE: President Ford's thirty-second news conference began at 11 a.m. in the Arabian Ballroom at the Murat Shrine Temple, Indianapolis, Ind.

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Exchange With Reporters on Arrival at Birmingham, Alabama. May 3, 1976

GOOD AFTERNOON. It's great to be in Birmingham along with John Buchanan and all of the other fine people that are with the Republican Party and with the President Ford Committee. It is nice to be here, and I will be glad to answer any of your questions.

REPORTER. Mr. President, you said that Ronald Reagan is the only Republican that can beat Jimmy Carter in the South. If you are the Republican nominee, will you have a Southern strategy, so to speak?

THE PRESIDENT. I think it's best for the country if a candidate for the Presidency has a program to win all over the country. Of course, the Southern region of our great Nation is a vitally important area, economically and politically and otherwise, but I think a President who is going to be President of all the people must get support from all regions of the country. And when I am the nominee of the Republican Party, after the convention in Kansas City, I will make a national appeal to voters all over the country.

Q. Mr. President, how well do you think you will do in the Alabama primary?

THE PRESIDENT. We are always hopeful. I have got some outstanding people who are working very hard on my behalf. I have got some very strong endorsements from some of the top political people in the State of Alabama. I think I have good programs to get the economy moving again, as it is, with increasing prosperity. I think I have got a program that means no American boys are fighting in combat. We are getting all our military personnel by an all-volunteer military force. So, when you look at our leadership, our endorsements, our programs and policies, I think we will do quite well in the State of Alabama.

Q. Do you think you will get a large crossover vote like you did in Texas?

THE PRESIDENT. I have no way of knowing. Certainly, in Texas, there was a

very substantial crossover, and we hope that we can get a good vote from all citizens in the State of Alabama.

Q. Governor Reagan says that he is the only Republican who can carry the South in a race against Jimmy Carter. What's your response to that?

THE PRESIDENT. I don't think that is an accurate statement. I have been in the South a good many times campaigning for various candidates. I have a good many friends in the South. My policies are aimed at improving the economy all over the United States, including the South. I think I have an excellent chance of winning against any Democratic candidate.

Q. In Indiana, you said that Mr. Reagan might be, in your words, rash in using the power of the Presidency. What do you mean by that?

THE PRESIDENT. Certainly, when he talks about using military strength first in the settling of the Panama Canal, instead of my program which means negotiation first and then the utilization of whatever we have to do if negotiations fail, I think that's a rash statement. I think it's a very unacceptable one at this point.

Q. Mr. President, your loss in Texas coupled with a poll showing you are doing poorly in Alabama and Georgia—do you plan to reorganize your committee to reelection?

THE PRESIDENT. Not at all. We have had a strategy right from the beginning that meant we were going to win in Kansas City, and I think without any question of a doubt, we will go to Kansas City with enough delegates to win.

Q. Mr. President, will any change in our current relationship in the Panama Canal be made through a formal treaty submitted to the Senate, or will you do it through an executive agreement?

THE PRESIDENT. Certainly, we would do it in the constitutional way, which means that any treaty would, of course, be submitted to the Senate for ratification. And also, under the unique circumstances that involve the Panama, it would be expected that we would also submit it to the Congress as a whole.

Q. Mr. President, can you talk about a possible Southern running mate? Would any of those possibly be from Alabama?

THE PRESIDENT. We have a wealth of material here in the Republican Party, and Alabama included. I think it's premature to start identifying individuals. Certainly, people from Alabama would not be ruled out automatically.

REPORTER. Thank you very much.

NOTE: The exchange began at 2:01 p.m. at the Birmingham Municipal Airport. In his opening remarks,

the President referred to Representative John H. Buchanan, Jr.

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Remarks and a Question-and-Answer Session at a Public Forum in Birmingham. May 3, 1976

Thank you very, very much, Dave, Congressman John Buchanan, Bill Dickinson, Jack Edwards, Mayor Vann, distinguished public officials, members of the Birmingham Chamber of Commerce and guests:

I'm delighted to be here in Birmingham, the all-American city, a thriving, growing, energetic, magic city, and I congratulate you and compliment you.

The source of that magic, of course, is a lot of hard work and determination by people of Birmingham. For sure, the harder you work, the luckier you get. It's an old phrase that I have used a good many times, and I think it's apropos here in Birmingham.

Twenty-one months ago, America was entering its worst economic recession in 40 years. I decided, as your President, that America would work its way out of that recession rather than trying to spend its way out of that recession.

Some of America's leading economists, politicians, and labor leaders thought it best to impose wage and price controls to deal with America's economic problems. Others insisted that we spend massive amounts of Federal dollars to stimulate the economy, despite the danger of kicking off a new round of inflation.

I knew that the way to real recovery in America and enduring prosperity was not through Government quick fixes imposed on us by a bad Congress. I knew that the better course was to get the great American free enterprise system working at full speed again.

I proposed, and the Congress accepted, a major tax cut for individuals, tax incentives for business expansion and job production, and began a comprehensive effort to restore the confidence of the American people in themselves, in their government, and in their future. This effort was absolutely essential if we were to restore the economic confidence of the consumer, a very key element in our recovery policy.

These policies have been very successful. America, as we all know, is in the midst of a strong and stable recovery. The gross national product rose during the first quarter of this year at an annual rate of 7.5 percent. The spendable income of American families has increased by \$100 billion over a year ago. Farm income is at an alltime high and so is farm production. Productivity

among the American workers is strongly on the increase. Since the bottom of the recession, just about a year ago, we've gained 2,600,000 more jobs in America. More Americans, 86,700,000, are gainfully employed. This is more than at any other time in the history of our country, and considering where we started from just 12 months ago, that's a pretty good comeback by any standard.

After months and months of higher unemployment and mounting fear, America is getting back to work, and faith in the future of America has been restored. We are going in the right direction, and I will not be satisfied until every American who wants a job can find a job.

But I'm counting on you, who are the real jobmakers, to put America back to work. The sponsors of the so-called Humphrey-Hawkins bill—and all but one of the opposition party Presidential candidates endorse it—would have you believe that just by passing legislation with the title of “full employment” we could solve our economic problem. That's nonsense. We will not achieve full employment by letting the Federal Government plan and control the national economy or by relying on the Federal Government to create hundreds of thousands of dead-end jobs at the taxpayer's expense.

My plan is to cut individual income taxes by \$10 billion on July 1 of 1976, to increase the personal exemption from \$750 to \$1,000, to enact an accelerated depreciation allowance, another investment tax credit, and another corporate tax reduction.

This is sound economics and the way to keep our recovery moving at the pace and with the progress that we are making. I want the American people to keep more of the money they work so hard to earn, to have them spend that money the way they want to spend it instead of having to pay more and more for government programs that are not needed..

The majority in the Congress obviously believe that more direct Federal intervention in our economic recovery is required to keep it going. They believe higher Federal spending on a host of social programs will stimulate a more rapid recovery. They believe an unacceptable price for economic recovery is a new round of higher inflation. They believe that bigger Federal deficits are required to keep the recovery underway. They are very, very wrong.

If the Congress would act sensibly—and that's asking a lot—[*laughter*—enact my tax cut proposals, we could create such a demand for goods and services that many more American jobs—permanent, fulfilling jobs—would be the inevitable result.

This country will need more than 15 million new jobs within the next 10

years to maintain a strong and stable economy. Putting more than 15 million people on the Federal payroll—or even a significant part or fraction of that number—won't work. It's the wrong way. If it didn't bankrupt the economy, it would surely be the beginning of the end of the private enterprise system in America, and we won't let that happen.

As some of you may know, I vetoed 48 bills in the last 21 months, and in the process, because 39 of them were sustained, we have saved the taxpayers \$13 billion.

If the Humphrey-Hawkins bill gets to my desk, it's a big candidate for another veto. And if, by chance, the Congress keeps sending me more and more irresponsible spending bills, I will use my veto again and again and again.

I've done battle with inflation far too long to let it get out of control again as the result of any irresponsible activity by the Congress.

When I took office as President, in August of 1974, the rate of inflation was soaring at 12.2 percent. During the first 3 months of 1976, this year, the annual rate of inflation was less than 3 percent. That is a 75-percent reduction, and while the inflation news may not be that good every quarter, we have come a long way, and we're going to keep the pressure on to do even better.

This low rate of inflation is one of the most encouraging of all the recovery statistics that I have cited, because it means the boom we're experiencing this year will not go bust next year.

But the most important recovery statistic is the index of consumers' confidence, which is double what it was 12 months ago. In economic terms, that means the American people are spending more money, moving more goods, and even willing to borrow again for major purposes for the future. In broader terms, it means the American people are looking to the future with faith instead of fear. It means that after years of war and turmoil and adversity, of hopes unfulfilled and promises broken, America is ready to face the world and face the future again with optimism, reality, and with courage.

The course we take in the next 4 years will shape America's future for many, many more years to come. I want to pursue the steady course that leads to peace through strength, from recession to recovery, from cynicism to confidence, from fear to faith. And that is why I'm delighted to be here to respond to your questions and seek your help and assistance for the next 4 years.

Thank you very kindly. I'll be glad to answer your questions.

QUESTIONS

U.S. DEFENSE CAPABILITY

[1.] Q. Mr. President, I'm a ninth grade social studies teacher at Trussville Junior High School, and my students asked me to ask you this question: Are we number one in defense or is the U.S.S.R., as some candidates are saying?

THE PRESIDENT. I can say categorically, most emphatically, that the Soviet Union is not ahead of the United States. I might add, I know of no active duty military leader in this country who will say that the Soviet Union is ahead; all say that we have every military capability—Army, Navy, Air Force, and Marines—that are fully qualified, fully capable to carry out their assigned missions to deter aggression, to keep the peace, and to protect our national security.

FEDERAL ASSISTANCE FOR EMERGENCY MEDICAL SERVICES

[2.] Q. Mr. President, as a surgeon here at the medical center, I would like to ask you about a program in HEW. I'm with the medical school here and very concerned with emergency medical services. On the stage with you is the mayor of Birmingham and Commissioner Gloor, of our county commission, who have devoted a great deal of time and money to improving emergency medical services.

We're concerned with the placement of emergency medical services in the health revenue sharing block grants to States and fear that we'll bury it there, there we will not be able to get it going in the more rural areas of our State, in particular. Is there any possibility you may be able to pull this out of the block grant like you did drug abuse?

THE PRESIDENT. Let me say at the outset, I am very, very familiar with the emergency medical program because a very dear friend of mine at home, that you may know, Dr. Mark Vasu, was one of the originators of this whole program throughout the United States. And in Grand Rapids we've had a program like this for almost 10 years, as I best can recollect.

So, I'm a very dedicated person to the need and necessity and the constructive benefits of the emergency medical service program. But here's the problem we face: We have 16 categorical grant programs in the health service area, and each of those categorical grant programs have their own Federal bureaucracy. And the inflexibility of handling the money, which is about \$16 billion a year, as I recall—no, \$11 billion a year, 16 programs—is that they don't let the local

officials who want in Birmingham a better and better emergency medical service program go beyond whatever the Federal Government makes available.

Some other communities may not want or may not feel they need as much in one program as in another. So, what we have tried to do is to take those 16 health service programs that are now arbitrarily, inflexibly rooted into law and to add to the money—so there would be more money and every State would be held harmless, but give to Alabama the same amount or more money than they got before with less arbitrary, inflexible rules and regulations—and to let Birmingham and the State of Alabama decide whether they want to accentuate the emergency medical service program and maybe give a little less to something else.

In other words, I strongly believe, Doctor, that you in Alabama would be infinitely better off, you would have far less Federal bureaucracy if we had a block grant program, and then the good citizens of Birmingham or Alabama could make the choices as to which ones they wanted to accentuate or to expand and which ones they might like to reduce.

So, believing strongly in local control and local decisionmaking, and trying to get away from this overhead and bureaucracy in Washington, I believe the health grant program or block grant program is the better approach.

Q. We're concerned in particular here with our prisons, under a court order and such, and Medicaid is eating up most of the funds in the State. If the money comes to the State of Alabama, it will all go to Medicaid and none to EMS [Emergency Medical Services]. That's our major concern.

THE PRESIDENT. There's no need for that if the aroused people in the State of Alabama—and after all, I have a lot of faith in the people here, as I do in the other 49 States—I think they will make the right decisions. And emergency medical service is one of the most important programs I know in that group of 16.

U.S. AID TO ISRAEL

[3.] Q. Mr. President, I'm affiliated with a local magazine called *Region*, and I'm also representing the Jewish Monitor today. And they would like for me to ask you these two questions.

The first one, Mr. President, is: I would like to ask you about your stand concerning our continued support to the nation of Israel. Are you for continuing to send the amount that we pledged to send to Israel or are you for cutting it?

THE PRESIDENT. Let me answer it this way. For the current fiscal year, which

ends July 1 or June 30, I recommended \$2,200 million—\$1,500 million in military assistance and the \$700 million in economic assistance for Israel. For the next fiscal year, which begins October 1, I recommended a billion dollars in military assistance for Israel and \$600 million for economic assistance. So for a 25-month period, because we have a transitional quarter in there, because we're going from one fiscal year to another, I recommended \$4,300 million for military and economic assistance to Israel. That's the most any President has ever recommended for the State of Israel.

Now, the big controversy, the big controversy comes because some people allege that there was a pledge to give an additional \$500 million for 3 months.

I never gave that pledge to anybody, and I'm the only one in a position who can give that in this Government at the present time.

I happen to think because every adviser that I have, whether they're military assistance advisers or economic advisers, they tell me that the amount that I have recommended, which does not include the \$500 million for the transitional quarter, was fully adequate for the economic and military security and survival of Israel.

So, on the basis of the advice given me by experts, I think \$4,300 million in a 25-month period is pretty good support for the State of Israel.

SALE OF AIRCRAFT TO EGYPT

[4.] Q. Thank you. I have one other question. Also, I'd like to ask you what is your stand on sending arms to Egypt to be used against Israel?

THE PRESIDENT. Well, I think the way you put it is not the accurate way to describe the situation.

Q. This is the question that was given to me.

THE PRESIDENT. As all of you know, the State of Egypt under President Sadat has taken some very strong and, I think, dramatic action in breaking off their economic but more importantly their military dependence on the Soviet Union. This is a great step forward for peace and stability in the Middle East.

Now, for many, many years, starting under Mr. Nasser and for a few years under President Sadat, the Soviet Union was supplying massive arms to the State of Egypt. President Sadat has decided he doesn't want to be dependent on the Soviet Union anymore. He wants to be free to deal with the United States or anybody else, and it's my judgment that this is a breakthrough for peace and stability in the Middle East. And the real issue at this time is whether or not the United States Government should sell six C-130 aircraft, which are transports, at a cost of \$49 million.

Now, I really don't think six C-130 aircraft are going to have any adverse military impact on the State of Israel. And therefore, I think we should sell those aircraft to Egypt to show our good faith and to be as a part of an encouragement for Egypt to have its independence from any outside force, including the Soviet Union.

CHROME IMPORTS; U.S. POLICY TOWARD AFRICA

[5.] Q. Mr. President, I am an assistant sales manager of a local foundry, and we deal in chrome and other metals. I'd like you to clarify, if you can, our stand in Rhodesia with regard to majority rule, because I understand if majority rules it'll become a dictatorship or obviously a communistic situation, and we deal in chrome.

THE PRESIDENT. It is a very good question. It is a good question, but first let me say, I was looking at some statistics just the other day and the actual amount of chrome that America buys from Rhodesia is about 5 percent of the total that we buy worldwide. So, there are plenty of sources of chrome all around the world, and it's not just Soviet chrome.

As a matter of fact, Soviet chrome is only about 12 percent of what is purchased by this country. The rest comes from a number of other countries. So, chrome is available on a worldwide basis, and we buy most of it from other sources.

Secondly, the policy that we are trying to enunciate in Africa is the following: Number one, we believe in self-determination. Isn't that an old American tradition? Isn't that how America became America? I don't think we want to abandon self-determination. It's part of our life, it's part of our history. Number two—and this is the real crux of the argument—under no circumstances would we be a part of any development there that did not guarantee minority rights, including white minority rights.

FEDERAL ELECTION COMMISSION ACT

[6.] Q. Mr. President, you spoke earlier and proudly about your veto record, and justifiably so. I wanted to ask in regard to the latest version of the election campaign act—since it has a very strong and very definite antibusiness bias, particularly in regard to congressional action committees, and since this bill appears to be more than slightly revised, and in lieu of your past veto record—would you consider vetoing it if the legislation passes?

THE PRESIDENT. Since the Congress has not yet completed action—the House of Representatives voted on it this afternoon; I think the Senate will vote on it later today or maybe tomorrow—I have not yet seen the final version. And I've

learned a lot in dealing with this Congress—I want to read the fine print.
[*Laughter*]

It is not what I recommended. It has been improved in the last 72 hours, but whether it's sufficiently improved to permit me in good conscience to sign it, I must take the time tomorrow when I get to the office to look at it with great care before making a final decision.

NATIONAL HEALTH INSURANCE

[7.] Q. Mr. President, I am with Insurance and Investment Consultants. I'm president of the Birmingham Chapter of Charter Life Underwriters. The subject is national health insurance. I'd like for you to give us your stand on the role of the private insurance sector in the delivery system of national health insurance, as it might get to your desk for approval.

THE PRESIDENT. Well, first, I'm categorically opposed to the approach, the so-called Kennedy bill, which would totally federalize the health insurance program. I did not recommend in my State of the Union Message this year any health insurance program because of the critical fiscal situation that we have in the Federal Government. I did seek to, or tried to convince the Congress that we ought to try to restrain some of the costs in the medical, in the Medicaid programs, for example.

I have made no firm commitment as to any national health insurance except that I am very strongly opposed to the Kennedy approach.

Now, when I first became President there was an administration bill before the Congress that would have proposed a form of national health insurance, but that program would have used the private health insurance companies in the giving of the services to the beneficiary. But I have not in 1976 endorsed even that because I just didn't think under the current circumstances that we could afford it.

We will constantly study the problem to see if we can get some cost control, to see how the private insurance companies meet the demand and, as I understand it, about 86 percent of our total population is now covered by one form or another of health insurance. But I can say one thing for sure—the Kennedy bill, never.

UNITED STATES-AFRICAN TRADE

[8.] Q. Mr. President, I would like to ask, since there's been so much controversy concerning Africa and Communist control, what country has the strongest trading potential as far as American exports are concerned?

THE PRESIDENT. What African country has the strongest export potential as far as the United States is concerned?

Q. As far as American exports are concerned.

THE PRESIDENT. Of course, we have had, probably among the so-called black African countries, our strongest trading has been with Liberia. But historically I think that may be true, but there is a great, great potential for us in all of the countries in southern Africa. And that, frankly, is one reason why we wanted or why I as President wanted to make sure that the Soviet Union and Cuba did not dominate Angola, because that is potentially a very rich country with all its oil and other natural resources.

Frankly, that's one of the reasons I was terribly disappointed that the Congress would not go along with a minimal expenditure of how we could have helped the two parties that were contesting with the MPLA.

But, if we can keep the Soviet Union, primarily, or Cuba, to a major extent, from dominating countries like Angola, we have a vast export potential in Angola and in other southern African countries. I would not want to rate them or rank them by one over another. But those countries have literally millions and millions and millions of dollars of natural resources which they can sell to us. And in return, we have an opportunity to develop export trade with them, providing we do not let the Soviet Union or any of its satellites come in and dominate like they have in the case of Angola.

Can we take two more?

GUARANTEED ANNUAL INCOME; FOOD STAMP PROGRAM

[9.] Q. Mr. President, I am a sales representative with Strickland Paper Company. I'd like to know, since Congress seems to be intent on making our country a welfare state similar to Great Britain, what is your stand on a guaranteed annual income?

THE PRESIDENT. I have never believed that a guaranteed annual income was the answer to any of our problems. But that doesn't mean, under any circumstances, that I'm in agreement with our present welfare program. When you add up all of the welfare programs we have, including food stamps, I think it's a mess, and something has to be done about it.

May I give you an example of how we are trying to do something about it? Last year I proposed to the Congress some legislative proposals to actually cut down the kind of abuse that we've been getting in the food stamp program. This is almost unbelievable. Back in 1971 the food stamp program started as a way

to get rid of some of our agricultural surpluses, and it cost us about \$100 million, as I recall.

Today, the food stamp program costs the United States Government \$7 billion a year, and about 17 million people are currently getting food stamps of one kind or another, or one amount or another. A year ago, I recommended legislation that would have actually given more food stamps to those who are needy and cut off entirely those people who don't need or don't honestly qualify for food stamps.

Congress didn't do anything, so finally in January or February of this year I had the Department of HEW issue in the *FEDERAL REGISTER* the necessary administrative action to save \$1,600 million in food stamps.

That waiting period, after you've given an announcement in the *FEDERAL REGISTER*, expires this week and those regulations are going into effect unless somebody comes in and gets a court order prohibiting it. But we are going to put them into effect. It will be the first honest attempt to get some control over the food stamp program.

CITIZENSHIP FOR JONTY SKINNER

[10.] Q. Mr. President, I am a sophomore at Shades Valley High School here in Birmingham. I'm asking about a swimmer from the University of Alabama who's trying to gain citizenship to swim in the summer Olympics this year—Jonty Skinner. Would there be any chance, like the winter olympic skier this year, for him to gain his citizenship? We've had petitions going around during basketball games and so on. Would there be any way or could you maybe help us help him gain his citizenship?

THE PRESIDENT. I'm not familiar with the details of that particular case. But let me say this, that the usual process, if there is no existing procedure under present law—for one or more of the United States Senators from Alabama or one or more of the seven Members of the House of Representatives of the State of Alabama to introduce a bill, to get it passed by the House and Senate, and send it down to the White House.

That can be done rather quickly if you have the right sponsorship and the right case to present. I would strongly suggest that if you haven't already, you get hold of either one of the two Senators or both and the Congressman that represents the district, try to get the bill through the Congress, and we'll look into the facts. Somebody from my staff will talk to you or if you'll get the facts to them, we'll see whether there's any provision in existing law that would permit me to grant the necessary authority.

In the case that you speak of, it was actually a case that required legislative action first, and as a result, I could do nothing until Congress passed a law granting an exception to the existing law for that particular individual that you mentioned.

But we will take a look at it. I hope if you haven't done so, you will get in touch with your Members of Congress in both the House and the Senate.

Thank you all very, very much. It's been a privilege and a pleasure to be here.

NOTE: The President spoke at 2:28 p.m. in the Concert Theatre at the Civic Center. The forum was sponsored by the Birmingham Area Chamber of Commerce.

David Hamilton, chairman of the board of the Birmingham Area Chamber of Commerce, introduced the President.

421

Remarks in Birmingham, Alabama. May 3, 1976

THANK YOU very, very much, Congressman John Buchanan, Congressman Bill Dickinson, Congressman Jack Edwards. I am deeply indebted to all three of you for those wonderful words of confidence, those words of endorsement. And may I say that it was a great privilege and honor for me to serve with you in the Congress of the United States. I had your support then, and I am honored to have your support and endorsement in this campaign for the Presidency of the United States.

Mayor Vann, distinguished guests, ladies and gentlemen, at the outset, let me express my deepest gratitude and appreciation, as well as compliments, to the fine Stanford University Choir and the wonderful bands who have participated on this occasion. It's great to be in Birmingham, as John Buchanan said, the all-American city, and I congratulate you for it.

I understand that you had quite a race yesterday at Talladega, the Winston 500. The car I came in this afternoon might not have been fast enough to beat Buddy Baker, but we have got another race on our hands tomorrow, and that's a race I would sure like to win with your help. Winning seems to be quite a habit in Alabama, and the record of the great Alabama football team speaks for itself. My congratulations to my good friends Bear Bryant and the Crimson Tide, and to Shug Jordan¹ and the Auburn War Eagles.

You know that sounds like the competition between my alma mater, Michigan—University of Michigan—and Michigan State University. What pleases

¹Paul (Bear) Bryant, head coach of the University of Alabama football team, and Ralph (Shug) Jordan, head coach of the Auburn University football team.

me so much here this afternoon is that I see so many young people, young Americans, who are already stepping in to take over the reins of government, of industry, and professions. I am proud to say that my own White House staff that's with me here today averages under 35 years of age.

I have more pride in each and every one of them than I can express, and I think they represent all the young people here today, and they give me tremendous help and assistance as all of you can give to this great country in the months and years ahead.

I deeply believe in America's young people above all else. In 200 years we have forged from a struggling group of colonies to the greatest nation in the history of the world. Our progress in every field has been unprecedented, and much of that progress has always been due to the strength and to the character of young Americans.

A lot of detractors are saying we're becoming a second-rate nation. But when I look out over this crowd, you're number one. Because of that, I can say without any hesitation, qualification, I am proud to be an American and proud of America.

Over the last 2 years America has been challenged as rarely before. We faced the worst economic recession in 40 years; we beat it. We faced many, many challenges to peace in the world. We are still at peace, and we are going to stay at peace by being strong and affirmative and constructive with our allies throughout the world. We faced a crisis of confidence in government, and that confidence and that integrity in the White House have been restored.

The challenges of the future will be even greater. Today's generation of Americans must face those challenges as our parents and as our grandparents met theirs—with courage, with sacrifice, with determination, but always with love of our country and our God.

God bless all of you. All of you here today and all the other Americans throughout Alabama and all over America, it's my great honor to be your President. With your faith and your support we will fill the future with hope, with great achievement, and the progress that will keep America number one for generations to come.

Thank you very, very much.

NOTE: The President spoke at 4:57 p.m. at Wilson Park.

422

Remarks at a President Ford Committee Volunteers Reception in Birmingham. May 3, 1976

LET ME thank, at the outset, Mildred Lee and Charles Chapman for the wonderful job that they have done and, in the finance area, Hall Thompson and Bill Acker. But let me also express just as emphatically, just as gratefully, my appreciation for what each and every one of you have done. Betty and I thank you very, very much.

Quite a few years ago, I had my own indoctrination in trying to work in a Presidential campaign. I hate to mention it—it's so far back—but I campaigned actively in 1940 for Wendell Willkie. And I volunteered and spent the whole summer in New York City trying to do whatever I could in whatever way I could, much as all of you are doing here.

But it was so encouraging for me to hear what Mildred said about the possibility of us doing very well and the possibility that if we do whatever we can, we might win in Alabama. Believe me, that's good news.

I know from time to time as you talk on the telephones or as you speak to your neighbors or you talk to others—wherever you might be in the great State of Alabama—people ask, "Why should I vote for President Ford?" Well, let me give you a few examples of what I think are good, sound arguments with anybody who will listen and have an open mind, an objective point of view.

First, let's go back and take a quick look at what the situation was in our country in August of 1974 when I became President.

There had been a great loss of faith in the Government of the United States. There had been a loss of confidence. Number two, we were experiencing at that time over 12 percent inflation. We were literally on the brink of the worst economic recession that this country has had for 40 years with unemployment about to go up and employment about to go down. We were still engaged in a conflict in Vietnam, some 8,000 miles away. I was faced with a Congress which was very hostile. I was faced with—well, many, many problems both at home and abroad.

And I think we can say with all honesty and sincerity that this country has made a lot of progress in the last 20 months. Let's take each item.

I think the American people know that honesty, integrity, faith in Government has been restored in the White House.

The facts and figures tell you what has happened in the economy. Instead

of inflation of over 12 percent per year, for the first 3 months of 1976, the rate of inflation on an annual basis is under 3 percent. That's a 75-percent reduction in the rate of inflation. I said we were literally on the brink of the worst economic condition in this country in 40 years. Shortly thereafter, unemployment went up, employment went down, and just a year ago, we were in the depths of this recession. But what has happened in the last 12 months?

We have gained 2,600,000 jobs. We are now employing in the private sector, in the public sector, more people today than any other time in the history of the United States—86,700,000.

Wherever you look throughout our economy, whether it's the automobile industry, whether it is in industrial production, whether it's in spendable income, everything that ought to be going down is going down, and everything that ought to be going up is going up.

So, we're doing darn well. Yes, we had a sad and tragic development in the Pacific—South Vietnam. But let me say this: We have strengthened our alliances with our friends in Western Europe, with Japan. But what is the judgment as to whether or not a policy of international relations has been successful? We haven't given up a thing. We're at peace, and we're going to keep the peace, because we have the strength to do it.

Now, we've had a few emotional issues raised in this campaign, and as Jack Edwards said this afternoon—Jack is on the Defense Subcommittee on Appropriations. He knows it. He has lived with it as a member of that committee. Incidentally, I served on that committee 14 years before I became the minority leader. So my background and information on our national security program is not just a campaign rhetoric operation, but it's predicated on some background and knowledge over a long period of time.

But take the words of Jack Edwards, one of our outstanding Members of the Congress. Jack Edwards said the charge is a phony that this country is not fully capable, fully able to meet any challenge. And what is our mission? Our mission is to deter aggression, to maintain the peace, and to protect our national security. Jack Edwards says the challenge of that is a phony issue, and I agree with him.

And then we have had the problem raised by our good friend, who says something about the Panama Canal. You know his words, but did any of you happen to hear Barry Goldwater yesterday on "Meet the Press"? Well, I unfortunately don't have in my possession the text of Barry Goldwater's interrogation on "Meet the Press." But he was asked this question: "Who is right, the President or ex-Governor Reagan on the Panama Canal?" Barry Goldwater

said, "On this I have to agree with President Ford, and I think that the Governor would agree with him, if he knew anything about the question."

Just so there's no misunderstanding, let me give you the exact words. Here is the question from Miss Mackin [Catherine Mackin, NBC News]: "On the Panama Canal, who is right on that? Whose position do you support, Ford's or Reagan's?" Senator Goldwater—and I quote precisely—"I have to support Ford's position on it, and I think Reagan would, too, if he knew more about it."

So, let me just conclude with this observation: We have a record that's good, of taking our country from a very serious crisis and making this country prosperous—on the road to prosperity of a greater and more stable basis than this country has had in a long, long time. We are meeting our challenges abroad effectively. We strengthened our alliances.

And let me just add this: We are keeping the peace with an all-volunteer army, and we aren't calling on the draft for the support of our Military Establishment.

Let me thank each and every one of you for what you have done and what—as one of your good statewide chairmen has said—what you are going to do in the next 28 hours. What time do the polls close tomorrow—7:00? We would hope to have some good news about what time—8:00? 10:00, all right. [*Laughter*]

I thank you, and I thank both of these two fine cochairmen of the State. I thank each and every one of you. Let me assure you we haven't promised anything we can't perform, and we'll perform everything we promised.

And finally, you've made a big effort, you have been loyal, you've been dedicated, I know you will be effective. Betty and I won't let you down for the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 6:13 p.m. in Room C of the Civic Center. In his opening remarks, he referred to Mildred Anne Lee and Charles Chapman,

cochairmen, and Hall Thompson and William P. Acker, finance cochairmen, Alabama President Ford Committee.

423

Remarks at a President Ford Committee Leadership and Delegate Reception in Birmingham. May 3, 1976

FIRST, I want to thank Charles and Mildred for the superb job that they have done in organizing the State on my behalf. I can't express my gratitude deeply enough to both of you.

Then, I want to thank Hall Thompson and Bill Acker for the superb job they have done. It's 150 percent, and we appreciate that. But Alabama is number one in all of the States in raising money on the basis of their quota, and we thank all of you.

Then, obviously, I want to thank the delegates and the alternates who are out there in the frontline. Nothing would make me happier than to have every delegate and every alternate down there in Kansas City helping us win that nomination and, eventually, helping us to win the election on November 2.

I also want to thank, in the presence of all of you, Bill Dickinson, John Buchanan, and Jack Edwards¹ for the great endorsement that they gave me out in the city square or the city area there this afternoon. I haven't had as strong, as fine endorsements by a congressional delegation as those three gave today, and I am very, very appreciative of what they have done.

It's awfully nice to see two former colleagues of mine here, Glenn Andrews and Jimmy Martin, two fine, fine people who came to the Congress in January of 1965 and, along with Jack and Bill and John, supported me when I became the minority leader. Let me tell you how close that vote was. There were 140 Republicans that were sworn in January 3, 1965, and I won by the landslide margin of 73 to 67. [*Laughter*] If I had not had those five votes of Jimmy and Glenn and Bill and John and Jack, you know it might have been the other way. [*Laughter*]

But let me say just a word or two, if I might. I know that you are going back to talk to your friends, you are going to get people out, you're going to be doing a wonderful job in the next 28 or 36 hours. I think there are a couple of things we can talk about that, if you have any people that are on the fence, that have not quite made up their minds yet—let me summarize it very quickly, because I think I have done enough talking today. Let me tell you as succinctly as I can, the selling points that I think make sense.

Number one, when I became President there was a great loss of confidence in government and, in particular, the White House.

Number two, we were on the brink of the worst economic recession this country has had in 40 years. Inflation was 12 percent or greater. Unemployment was about to go up, and employment was about to sink. What has happened? We have restored confidence and faith, I think, in the White House.

Number three, the rate of inflation has been cut by 75 percent. The first 3 months of this year, the rate of inflation on an annual basis was under 3 percent. In the last 12 months, when we hit the bottom of the recession, we have

¹ U.S. Representatives from Alabama.

gained 2,600,000 more people on the payroll of the private enterprise system of this country. We now have 86,700,000 people gainfully employed, the highest number in the history of the United States.

So I think we have a lot to talk about, and we are not going to be overwhelmed by some of the emotional appeals that have been made by some people.

I thought Jack Edwards, who really knows something about the defense program of this country and what we have in the Army, the Navy, the Air Force, and the Marines, because of his very unique experience on the Defense Appropriations Committee—and Bill Dickinson is also on the House Armed Services Committee, and I am sure that Bill agrees entirely with Jack Edwards that all of this talk about the United States military being second—it is nonsense.

Furthermore, both Bill and Jack can tell you categorically, a year ago I submitted the highest military budget in the history of the United States. And this year I also submitted the highest military budget in the history of America, increasing the funds by 14 percent. So, this President is doing what is needed and necessary to keep America strong, period.

Let me ask you one question: How many here yesterday heard our wonderful friend, Barry Goldwater, on “Meet the Press”? Apparently some of you didn’t, so let me say at the outset. In 1964 I supported Barry Goldwater because he was right. And I am proud of it. In retrospect, I think he was right.

But here is the transcript of Barry Goldwater’s interrogation on “Meet the Press” yesterday, and there is one issue that has been raised. I think I have tried to get the record straight, to give the facts, but sometimes another person can do it better than yourselves. And now here is Barry Goldwater being asked about the Panama Canal, and here is the question: “On the Panama Canal, who is right on that? Whose position do you support, Ford’s or Reagan’s?” Senator Goldwater, in response: “I have to support Ford’s position on it, and I think Reagan would, too, if he knew more about it.”

So, what I am saying—we have got an affirmative record. We should be proud of it, at home and abroad. We also have the answers to the charges that have been made in the political campaign. So each and every one of you delegates can go back to your respective communities and with pride, I think, get those votes. So, I will see each and every one of you delegates and alternates at Kansas City.

Thank you very much.

NOTE: The President spoke at 6:40 p.m. in Room F of the Civic Center. In his opening remarks, he referred to Mildred Anne Lee and Charles Chapman,

cochairmen, Hall Thompson and William P. Acker, finance cochairmen, Alabama President Ford Committee.

424

Statement on House Action Overriding Veto of the Child Day Care Bill. May 4, 1976

I REGRET that the House of Representatives has failed to sustain my veto of H.R. 9803, the Child Day Care Services under title XX of the Social Security Act.

This legislation runs counter to a basic principle of government important to all Americans—the vesting of responsibility in State and local government and the removal of burdensome Federal regulations.

I am firmly committed to providing Federal assistance to States for social services programs, including child day care. But I am opposed to unwarranted Federal interference in States' administration of these programs.

H.R. 9803 would make permanent highly controversial and costly day care staff-to-children ratios. And it would deny the States the necessary flexibility to establish and enforce their own staffing standards for federally assisted day care.

This bill would not make day care services more widely available. It would only make them more costly to the American taxpayer. The expenditure of at least \$125 million over the next 6 months, and possibly as much as \$250 million more each year thereafter, would be required under this bill.

H.R. 9803 would also require that a portion of Federal social services funds be available under title XX of the Social Security Act for a narrow, categorical purpose. In the deliberations leading to enactment of title XX, a little over a year ago, the States and voluntary service organizations fought hard to win the right to determine both the form and the content of such services according to their own priorities. This bill would undermine the title XX commitment to allow the various States their own initiative by dictating not only how day care services are to be provided but also how they are to be financed under title XX.

The Federal day care standards imposed by H.R. 9803 have been subject to considerable debate. In fact, the bill recognizes the questionable appropriateness of these standards by postponing their enforcement for the third time, in this case to July 1 of this year. Fewer than one in four of the States have chosen to follow these standards closely in the administration of their day care programs. The Congress itself has required by law that the Department of Health, Education, and Welfare conduct an 18-month study ending in 1977, to evaluate their appropriateness.

For these reasons, I urge the Senate to join me in opposing the enactment of this measure. And I urge that the Congress extend, until October 1, 1976, the

moratorium on imposition of Federal day care staffing standards that it voted last October 2. This would give the Congress ample time to enact my proposed Federal Assistance for Community Services Act, under which States would establish and enforce their own day care staffing standards and fashion their social services programs in ways they believe will best meet the needs of their citizens.

NOTE: The Senate sustained the President's veto on May 5, 1976. (See Item 430)

425

Message to the Congress Transmitting Annual Report on Sickle Cell Anemia. May 5, 1976

To the Congress of the United States:

I am pleased to transmit to the Congress the Third Annual Report on the Administration of the National Sickle Cell Anemia Control Act (P.L. 92-294) in accordance with the requirements of Section 1106 of the Public Health Service Act.

Sickle cell anemia is the most common genetic blood disorder in the United States. It is found predominantly, but not exclusively, in the black population where it affects nearly 50,000 persons. The individual cost of sickle cell anemia is tremendous; in addition to medical care and loss of time from school or employment, the resulting psychosocial and educational problems makes advancement against this disorder of highest priority.

This year's report highlights the progress made in the implementation of the National Sickle Cell Disease Program and other related activities of the Public Health Service carried out by the National Institutes of Health, the Center for Disease Control, and the Health Services Administration. We have continued to move ahead in the areas of research, education and public awareness, screening and counseling, and rehabilitation.

Fifteen comprehensive Sickle Cell Centers have been established, bringing together all aspects of research—basic, clinical, clinical application, and clinical trials. Continuing education and community demonstration programs have been included as integral parts of this important effort. This combination will permit the Centers to develop new and innovative approaches to education, testing, counseling and rehabilitation.

Also, last year 25 Sickle Cell Screening and Education Clinics provided information to more than one million persons, screened approximately 233,000 individuals, counselled more than 16,000 and referred many for appropriate medical care.

This activity is extremely important because the sickle cell trait is found in approximately two and one-half million black people. Although the sickle cell trait is primarily a healthy state wherein one carries genes for both sickle hemoglobin and normal hemoglobin, the blood disorder occurs as a result of the presence of genes for sickle hemoglobin inherited from both parents.

The National Institutes of Health is conducting intense investigations into the mechanisms of sickling in sickle cell anemia and subsequent complications, as well as carrying out therapy trials to alter the sickling process.

We must continue to push ahead for new knowledge and methodologies for the diagnosis, control and treatment of sickle cell anemia, as well as carrying on and improving existing screening and counseling, information, and education and training activities.

The progress made in the last year is heartening and sickle cell anemia program activities will continue to be of the highest priority. I am pleased to present this report to the Congress.

GERALD R. FORD

The White House,

May 5, 1976.

NOTE: The report, entitled "Third Annual Report on the Administration of the National Sickle Cell Anemia Control Act (P.L. 92-294)," covers the period July 1, 1974 to June 30, 1975 (14 pp. plus appendixes).

426

Remarks to Participants in the Conference on Ethnicity and Neighborhood Revitalization. May 5, 1976

Mayor Cianci, Mayor Perù, Monsignor Baroni, members of the administration and guests:

Obviously, it's a great pleasure and privilege to welcome you to the White House and the Rose Garden this morning. This conference has been called to give new insights into some very, very old questions: how to maintain, how to strengthen the ties of community and neighborhood within our society.

America has always been drawing much of its strength from the bonds of family, community, church, and voluntary organizations. Yet, as the face of America has been changed over the years, there is a growing realization that some of our oldest traditions and some of our oldest institutions are now in jeopardy.

A sense of community has been eroded in some of our largest cities. A sense of neighborhood, a sense of belonging, of cultural identification, are threatened. I can appreciate your deep concern for the future of institutions which you worked so very hard to establish—the ethnic church, the school, the credit union, the fraternal lodge. Increasingly centralized government in Washington, which has grown more and more powerful and very impersonal, is a big part of the problem.

It is time that we begin deemphasizing the bureaucracies in Washington and reemphasizing the community, the efforts that we can make to improve our American way of life. One way to do this is by extending the general revenue sharing program, which over the past 5 years has turned the flow of power away from Washington and towards your own cities and your own States.

Another way is through the vigorous enforcement of the anti-redlining bill, which discourages credit discrimination based on neighborhood location in mortgage and home improvement loans. I signed the law prohibiting that discrimination, and I intend to see it stopped.

By replacing the urban renewal program and many similar programs with a single Community Development Act, we have given local residents a much, much greater voice in rebuilding their own communities.

Redtape has been cut enormously. At my direction, Federal regulations for community development have been reduced from 2,600 pages to just 25 pages. Application forms have been reduced from 1,400 pages to only 50 pages. The whole process between application and approval for these projects has been reduced from an average of 2 years to less than 2 months.

We want to do more, and to do that we want to hear your views and to enlist your support and your cooperation. I have asked Bill Baroody and Myron Kuropas¹ to give me a full report on your activities here today, and I hope each of you will let us know what you think needs to be done.

As we enter our third century, I believe that we can have a rebirth of individual freedom and that we can protect the diverse heritage which gives so much

¹ Assistant to the President for Public Liaison and Special Assistant to the President for Ethnic Affairs, respectively.

strength and so much richness to our society. Working together, we can achieve these goals, and I think today's conference is a very good start.

Thank you very, very much.

NOTE: The President spoke at 11:34 a.m. in the Rose Garden at the White House to representatives of ethnic organizations attending the conference.

In his opening remarks, he referred to Mayors Vincent Cianci of Providence, R.I., and Ralph J. Perk

of Cleveland, Ohio, and Monsignor Geno C. Baroni, chairman of the Catholic Conference on Ethnic and Neighborhood Affairs and president of the National Center for Urban Ethnic Affairs.

427

Exchange With Reporters Following Indiana, Georgia, and Alabama Primary Election Results. May 5, 1976

I AM glad to be here on May 5 and to have an opportunity to respond to any of your questions. I suspect you may have some.

REPORTER. What is your reaction to the three losses?

THE PRESIDENT. Naturally, I am disappointed. We had hoped to do better. But let me say this very strongly: I am going to Kansas City, I am going to win in Kansas City, and we expect to win in November.

Q. Mr. President, you are reassessing your strategy, we're told. What sorts of things do you have in mind?

THE PRESIDENT. I think that's a matter that Rogers Morton and the people at the PFC will basically undertake. They will keep me apprised, but I think that's their basic responsibility. And we'll work with them, but they have the responsibility.

Q. Mr. President, you're generally a picture of confidence. Has your confidence been shaken by this string of losses?

THE PRESIDENT. I don't think my confidence has been harmed one bit. As I said a moment ago, I'm going to Kansas City, I expect to win in Kansas City, and I fully intend to be elected on November 2.

Q. Well, what's gone wrong?

THE PRESIDENT. Well, that's something that Rogers Morton and the others will assess. I believe that we have a good program. We have straightened out the economy; we are on our way to real progress as far as prosperity is concerned. We have gotten ourselves straightened out as far as foreign policy is concerned. We are out of the war in Vietnam. We are making headway around the world. We have restored confidence and integrity in the White House. So our job, apparently, is to do a better job of selling it, and we intend to do it.

Q. Mr. President, you don't mean to suggest that the White House is out of this reassessment altogether and that it will fall entirely on the PFC. Surely, you must have some strong thoughts of what is required of you and of the administration?

THE PRESIDENT. Well, the administration is looking at it, but the basic study will be done by the PFC under Rogers Morton.

Q. Mr. President, following your victory in Wisconsin, you said that that vote justified your faith in Henry Kissinger. What have the last four primaries done to your faith in Henry Kissinger?

THE PRESIDENT. We are in the process of analyzing the total picture, not just one issue. I can't give you any immediate assessment as to what issue or whether all of the issues had a contributing factor, but I certainly wouldn't say that the result in Indiana or the other two States can be attributed to foreign policy alone. I'm sure it was a combination of many, many things.

Q. Mr. President, in your reassessment, what parts of the campaign do you feel were not going well, and why?

THE PRESIDENT. I can't tell you why. I think we have a good program. I think we have done a fine job on the economy. I believe we have restored integrity in the White House. We have restored confidence of the American people in, I believe, the conduct of the Presidency. I believe that we have made success around the world in our day-to-day operations of foreign policy. We have peace; we are going to keep peace.

Q. Do you expect to win on the first ballot, Mr. President?

THE PRESIDENT. I think we will go to Kansas City, Helen [Helen Thomas, United Press International], and win. I have no doubt about that whatsoever. With only two candidates there, that's about the way it sorts out.

Q. Mr. President, did you mean to suggest that if the analysis proves that Henry Kissinger was an issue in the losing primaries that his tenure is somehow in doubt?

THE PRESIDENT. Not at all. Not at all.

Q. Mr. President, are you concerned about your own home State? How do you feel about the crossover problem and George Wallace's past performances there?

THE PRESIDENT. I am not going to comment on any individual State. I said we will win in Kansas City, and that means that we expect to win our full share of the contests between now and the middle of August.

Q. Mr. President, do you feel you have been hurt on the Panama Canal issue?

THE PRESIDENT. If we have, I don't think it's a legitimate decision, because

I am absolutely convinced what this Government is doing, what this Government has done for the last 13 years, is the right policy. And we are going to continue to negotiate rather than to accelerate the possibility of a military conflict. And so we're going to do what we believe is right, which I think is negotiate in the Panama.

Q. Mr. President, do you agree with Rogers Morton that Governor Reagan now has the advantage in the race between you?

THE PRESIDENT. No, because you have to look at the uncommitted, and you have to take an honest appraisal of where some 300-plus of those uncommitted delegates are more likely to go. So, we think it's going to be a tough race, but we expect to win, and we will be at Kansas City to do so and to carry on from there for a victory in November.

Thank you all very, very much.

NOTE: The exchange began at 12:40 p.m. in the Rose Garden at the White House.

428

Remarks Upon Signing the Federal-Aid Highway Act of 1976. May 5, 1976

Secretary Coleman, distinguished Members of the Congress, distinguished guests:

I am signing today a bill, H.R. 8235, which authorizes more than \$17½ billion dollars for the extension of the Federal aid to highways program. Many, many thousands of jobs will be directly as well as indirectly supported by the legislation, which will provide for key links in the Interstate Highway System, upgrade existing highways, and develop public transit facilities.

Primary responsibility for selecting projects and administering this grant program will continue to rest with State and local authorities. While this act does not include everything that this administration proposed to the Congress, it is an important step toward meeting America's transportation needs.

For that reason, Mr. Secretary and Members of the Congress, I am very pleased to sign this legislation, which is a very significant piece of legislation and a very important one as far as our economy and our transportation facilities are concerned.

NOTE: The President spoke at 3:03 p.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Secretary of

Transportation William T. Coleman, Jr.

As enacted, H.R. 8235 is Public Law 94-280 (90 Stat. 425).

429

Statement on Signing the Federal-Aid Highway Act of 1976.
May 5, 1976

TODAY I have signed into law the Federal-Aid Highway Act of 1976. This legislation is the product of almost a yearlong debate. On July 7, 1975, I submitted a proposed long-range bill recommending some fundamental changes in this program. The act I am signing today is a 2-year interim measure which permits the program to continue, while setting the stage for the next Congress again to confront the critical issues facing the program.

The proposal that I forwarded to Congress last July had four principal objectives.

- First, it recommended the restructuring of the present system of financing highways. The trust fund would have been reserved exclusively for the completion of the interstate system; all other Federal highway assistance would have come from the general fund, and 1 cent of the gas tax would have been returned to the States.
- Second, more than 30 categorical grant programs would have been consolidated into 3 block grant programs.
- Third, the Federal interest in the interstate system would have been more precisely defined, by placing primary emphasis upon completion of critical intercity routes on the system.
- Fourth, the Federal resources authorized for the highway program would have been held to responsible levels, consistent with the overriding need to control Federal spending while still sufficient to achieve the objectives of the program.

The Congress addressed each of these issues in its deliberations on this bill and made progress in the direction I had recommended. The bill I am signing today consolidates a number of existing categorical grant programs into a broader, more flexible program, a step which should help State and local officials solve their transportation problems more effectively. This legislation also assigns priority to the completion of intercity routes, closing critical gaps in the interstate system. Although this Congress did not address all of the fundamental issues of the highway program, the next Congress will need to deal comprehensively with them.

I am pleased to note that the Congress has taken some action to bring the operation of the highway program under better fiscal control. However, because

the bill would still result in substantial outstanding authorizations being available during fiscal year 1977, I believe it is important for Congress to take separate action to place an obligation ceiling on the Federal-aid highway program at least through fiscal year 1977. Further, new activities authorized in this legislation will be carefully scrutinized before any requests for additions to the budget are sent to Congress.

For more than 25 years in National Government, in both the legislative and executive branches, I have been a firm supporter of the highway program. As a Member of Congress in 1956, I voted for the landmark legislation which established the Highway Trust Fund. I have been deeply involved in the legislative process over the past two decades as the highway program has been expanded and made more responsive to local transportation needs. It is a privilege to be serving as President today and to sign legislation extending and improving this important program. A spirit of cooperation between this administration and the Congress enabled all parties to arrive at an acceptable bill which permits a vital program to continue. We will continue to work with the Congress to seek better, long-term solutions to our national transportation problems as the Nation enters its third century.

430

Statement on Senate Action Sustaining Veto of the Child Day Care Bill. May 5, 1976

I AM pleased that the Senate has voted to sustain my veto of H.R. 9803, the Child Day Care Services under title XX of the Social Security Act.¹

As I have said before, this legislation would have run counter to a basic principle of government important to all Americans—the vesting of responsibility in State and local government and the removal of burdensome Federal regulations in areas where State and local government can best meet the needs of their citizens.

I congratulate the Members of the Senate from both parties who resisted heavy pressure to vote for this bill and voted instead for good government and fiscal responsibility.

¹ For a statement on House action overriding the President's veto, see Item 424.

431

Remarks at the Awards Dinner of the American Mother's Committee, Inc. May 5, 1976

Thank you very, very much, Mrs. Lohr, Congresswoman Boggs, Mayor Washington, Mrs. Marriott, distinguished guests, ladies and gentlemen:

Let me thank you for this very beautiful, this very impressive book, which I understand is inscribed to both Betty and to myself. And I can assure you, as a stand-in for her, that she wants me to express on her behalf our appreciation for this thoughtfulness.

I thank not only you, Mrs. Lohr, but the American Mothers Committee and the many hundreds of people who helped to write—as you told us 500 or more—and the tremendous job of research that they did on this occasion. It is a very, very fitting contribution to our Bicentennial.

No birthday is complete without credit to the mother, and on this Nation's 200th birthday, we recall the achievements of all American mothers, past and present, who contributed to our Nation's progress. Of course, Betty is highly honored that she was chosen among those from Michigan to be included in this volume.

And I am proud not just of her own accomplishments but because I know Betty represents so many American mothers who hold their families together and help to hold this Nation together. Every mother faces a different set of challenges. For Betty—if I may add a personal note—I know it was the challenge of raising four wonderful children when my duties in the Congress often called for me to be away from home. And Lindy Boggs, I can assure you, can verify that experience.

As your organization so rightly recognizes, a successful mother must embody virtues such as love, courage, cheerfulness, patience, compassion, understanding, and the ability to make a happy home for her family.

Those characteristics are every bit as important today as they have been throughout our Nation's history and, indeed, throughout the history of civilization. In fact, at a time when the value of family life is being questioned by some and when the strains of contemporary life seem to threaten the family structure, I believe those virtues are more important than ever before.

Every American mother bears, as we all know, a great, great responsibility. As your conference theme states, the past cannot be changed; the future is still in your power. It is in the family that a child's character is formed and ethical

standards developed. It is up to you and your husbands to see that America's children are raised in an atmosphere of morality as well as love.

It is up to you to see your children take joy in living and develop strength and self-confidence. It is up to you to see that the next generation of all Americans will carry with them throughout their lives the values that have made America a great, free nation. Mothers and fathers establish within their own homes the duties of their children, and they help their children to recognize the obligations that come with being a responsible citizen.

In this Bicentennial Year, all Americans must rededicate themselves to the values on which this country was founded: that all men are created equal, that they are endowed by their Creator with certain inalienable rights, and that among these rights are life, liberty, and the pursuit of happiness.

You give your children life to teach your children the meaning of liberty, its duties as well as its privileges, and you put them on the path to finding their own personal happiness. This combination of responsibilities is what makes motherhood a career in itself, a strenuous, rewarding job.

But as millions of Americans demonstrate, American mothers prove every day the career of raising a family need not exclude other careers. Today, mothers are more likely to be working than ever before—five times as likely as 1940. More than half of all mothers with school-age children were in the labor force last year, a higher rate than for women without children. But whether or not they work outside their homes, America's mothers make countless contributions to their families, to their communities, and to their Nation.

Tonight, the American Mothers Committee honors that contribution and chooses one American mother who embodies the best in all American mothers. It was John Quincy Adams who said, "All that I am, my mother made me;" that thought was repeated by Abraham Lincoln, Ralph Waldo Emerson, and many others. And as Mother's Day this Sunday draws near, it is a thought that should be in the hearts of millions of Americans. I know it will be in mine and in yours.

On behalf of your children, your families, and your Nation, I thank you.

And now, the national president of the American Mother's Committee will announce the name of the 1976 National American Mother.

Thank you very much.

NOTE: The President spoke at 7:25 p.m. in the Ballroom at the Shoreham Americana Hotel. In his opening remarks, he referred to Mary Filser Lohr, national president of the committee, Representative Lindy (Mrs. Hale) Boggs of Louisiana, Mayor

Walter E. Washington of the District of Columbia, and Phyllis Marriott, chairperson of the committee for Washington, D.C.

Maxine Carnett Grindstaff of New Mexico was named as the 1976 National American Mother.

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Remarks at a Meeting With Administration Officials To Discuss the Social Security Trust Fund. May 6, 1976

WHILE the press is here, I think it might be appropriate to point out to them the reason for this meeting.

As everybody knows, I submitted to the Congress a very constructive proposal for the purpose of maintaining the financial integrity of the social security trust fund. This was submitted at the time of our budget or economic program, at the time of the State of the Union and, unfortunately, it appears that the Congress is going to fail to recognize the problem and tragically fail to do anything to solve the problem.

This concerns me very greatly, because we have 32 million individuals, most of them older, who are depending upon the financial soundness of the trust fund. And we have literally millions and millions more who are paying into the trust fund, who are counting on the financial integrity of that fund.

This administration feels an obligation to protect the investment of those who are retired and those who are counting on retirement. The purpose of this meeting is for me to get the up-to-date information from the responsible people in the executive branch who, I'm sure, are likewise concerned, as I am, about the current situation.

The Congress cannot fail the older people and others who are either on retirement or about to retire. We expect some action. They cannot fail to respond to this very important and, I think, critical need.

NOTE: The President spoke at 11:10 a.m. in the Cabinet Room at the White House.

The meeting was attended by David Mathews, Secretary of Health, Education, and Welfare; W. J. Usery, Jr., Secretary of Labor; James A. Baker III, Under Secretary of Commerce; George H. Dixon,

Deputy Secretary of the Treasury; Ron Davis, Assistant to the Commissioner of the Social Security Administration; and William A. Morrill, Assistant Secretary for Policy, Department of Health, Education, and Welfare.

433

Statement Urging Congressional Action on Proposed Payroll Tax Increase for the Social Security Trust Fund. May 6, 1976

I HAVE today directed the Secretary of Health, Education, and Welfare to seek prompt congressional action on my legislative proposal to maintain the fiscal integrity of our social security trust fund.

Simple arithmetic indicates that the social security trust fund is headed for trouble. Unless the Congress acts to ensure that the fund takes in as much as it pays out, there will not be adequate security for old or young.

In my State of the Union Message in January, I proposed a payroll tax increase of .3 percent each for employees and employers, to increase revenues into the trust fund to ensure that benefits will be available to all who have earned them.

My proposed increase would cost workers, with a maximum taxable income, less than a dollar a week. This increase will help stabilize trust funds so that current and future recipients can be assured the benefits that they have earned. I urge the Congress to take the earliest possible action on my proposal to preserve the integrity of the social security trust fund.

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Remarks at a Reception for Members of the Association of American Editorial Cartoonists. May 6, 1976

Mr. Hill, Mr. Huici, members of the Association, and guests:

Walking over, I was trying to recollect where we had first gotten together, and I was reminded by one of your officers that it was up in Boston. So, it's a little shift from the Parker House to the East Room of the White House, but it is a great opportunity for me to welcome all of you and to meet with you and to provide a more personalized view of the President for your sketches.

Although, when it comes to personalized views, I don't think I will ever forget the one expressed by a former teammate of mine from my old Michigan football team. He introduced me one time at a banquet and said, "You might be interested to know that I played football with Jerry Ford for 2 years. Jerry played center, I was the quarterback, and you might say it gave me a completely different view of the President." [*Laughter*]

I hope your views today won't be quite that different. But I am pleased and honored to welcome you to the White House. Your editorial cartoons, representing a truly great American tradition, have adorned the White House, its walls, for many, many years. Today, I am delighted to welcome all of you in person.

Two years ago this month, I addressed your association in Boston. At that time, Guernsey LePelley, the editorial cartoonist for the Christian Science Monitor, said you wanted to get a firsthand impression to better perceive my true identity. There had been a number of cartoons depicting identical Vice Presi-

dent Fords seated behind a desk with caption asking, "Will the real Jerry Ford stand up?"

Today, 2 years later, the real Jerry Ford has stood up. You have taken me full measure. In keeping with the artistic and journalistic responsibility to call the shots as you see them, you have, in all honesty, in my opinion, treated me very fairly, and for that I thank you.

I concede that a pen is mightier than a politician. Only 6 or 7 seconds are required to read and digest a cartoon. That is why you have such a big advantage over those of us in political life. It may 6 or 7 months before the public forgets a cartoon that hits the target, and that takes us up to next November.

I am pleased to take my chances with your cartoons, because I know that you depict all candidates without fear or without favor. Your cartoon art is a very vital American safeguard against the deception of voters by any candidate, especially those that demagog false issues or fuzz up the real issues.

We in political life—and I think the public as a whole—count on you to rip away facades with penetrating realism, and just as you asked for the real Jerry Ford to stand up, I congratulate all of you for asking the very same question for all the new and old faces of 1976.

I have heard cartoonists say that their cartoons make a complex situation really very simple, while the editorials usually found on the same page make a simple situation really very complicated. [*Laughter*]

I am glad that we are in agreement on that. We all know the old Chinese proverb that a single picture is worth 1,000 words. Every cartoonist realizes this anew each time he starts to write the caption. So it is with political campaigns. We often see the real situation behind the mask, but can't always at the outset put the precise caption on it.

Yet, there is a very basic and penetrating wisdom that emerges in cartoons. I am confident that the same insight exists in full abundance among the American people. And that is why I personally face the future with complete and total confidence.

Thank you very, very much.

NOTE: The President spoke at 3:50 p.m. in the East Room at the White House. In his opening remarks, he referred to Draper Hill, president of the associa-

tion and cartoonist for the Detroit News, and Alberto Huici, president of the Club de Caricaturistas de Mexico.

435

Remarks at a Reception for Members of the Michigan Association of Broadcasters. May 6, 1976

Thank you very, very much, Ken MacDonald and Tony Gaston and all of the members of the Michigan Broadcaster's Association and guests:

It's first a great privilege and pleasure to be able to come back to one of these meetings that I have attended a good many times—I think every time since the group has met here—but I also wish to thank all of you on behalf of Betty and myself for the beautiful gift that will be deeply cherished by both of us as we move ahead. And I can assure you that the mere fact that you have selected me for this first award on behalf of the Michigan Broadcaster's Association is a—well, I just won't forget it, and I thank you very, very much.

You know, talking to Ken and talking to Tony brought back some memories, and those memories go back to about 1945, '46, '47. I had just come back from military service, and I was practicing law, and I wanted some activities involving athletics. And so I did some color broadcasts or athletic broadcasts in a very minor way—probably not very competently—[*laughter*—for some of the football games. And Ken did it down there at WPAG, and Tony did it, at that time, down at WJEF. So you know the three of us had a beginning, and now we are Presidents. [*Laughter*]

I'm sorry Betty isn't here because I am sure she would have been able to appreciate the beautiful gift that has been given. But Betty is out in California. Ever since I saw that Detroit News poll which showed that she got 70 percent and I got 50-some percent—[*laughter*—I have decided that I ought to ask her to go around the country so that she could get my votes up to her polls. [*Laughter*] But Betty will express to all of you, as I have, our appreciation for this very thoughtful gift and this very fine award.

I was reminiscing just before coming over here about some of the things that have happened, transpired, in the intervals between one visit that you all make to Washington and the next one, and they come on a yearly basis. My memory isn't that good that I can go back 20-some years ago and recapitulate or refresh my memory, but there are 2 years that certainly are fresh in my memory.

Two years ago, I had just been made Vice President or had been Vice President for a relatively short period of time when I joined you on an occasion like this. And of course, in the interval between that meeting 2 years ago and this meet-

ing that we had last year, there had been a very difficult time—difficult for me, extremely difficult for the country as a whole. But it did bring about, I believe, in that period of time, a restoration of confidence, openness, candor, and faith in the White House.

We tried to do it then, as we had tried to do it for 25 years in the Congress—of being frank and candid, forthright, not always agreeing with everybody, but everybody had their day in court, and everyone felt when they left that their point of view had been expressed. And I would do my very best to maintain an objective point of view.

So, that first 12 months between Vice President and President was a tough time, but I believe we came through that with progress, with headway.

And then last year, you know, we met over at Tayloe House. The country was in pretty bad shape. If you will recollect, as I have on occasion, we were at the depths of a recession, the worst recession in 40 years in this country. We had many serious problems. The rate of inflation was still too high. Unemployment in our own great State of Michigan had plummeted. The automobile industry was in serious condition. There was great despair in many parts of the country, and Michigan was more heavily hit than most States.

But it's nice to be here with all of you this year, where I keep reading about how things have changed in Michigan. The automobile industry is having one of its top years, either third or fourth in the history of the industry, with every week or every reporting time the production schedules of the automobile industry going up, with a resurgence of public confidence. So, it's a much better atmosphere in which I am your guest tonight than it was a year ago.

Let me say without any hesitation or qualification, as good as we think it is, it's not good enough. And when you come down here a year from now, I expect to be able to invite you to the White House, and we can have the 21st or 22d reunion in the East Room or the Red Room or the Blue Room or the State Dining Room. But I think it would be a great place to have a wonderful reunion and an opportunity for us to let you make the presentation to your second honoree, whom I will be glad to honor with best wishes from the President of the United States for the next 4 years.

Thank you.

NOTE: The President spoke at 7:27 p.m. in the Dolley Madison Room at the Madison Hotel. In his opening remarks, he referred to Kenneth MacDonald, 1975 president, and O. T. (Tony) Gaston, present

president, Michigan Association of Broadcasters.

The association presented the President with the first annual Outstanding Citizen of Michigan Award.

436

Remarks Upon Vetoing the Foreign Assistance Bill.*May 7, 1976*

I AM returning herewith, without my approval, S. 2662, which authorizes foreign aid for the fiscal year, because the bill would seriously obstruct the exercise of the President's constitutional responsibilities for the conduct of foreign affairs.

In addition to raising fundamental constitutional problems, this bill includes a number of unwise restrictions that would seriously inhibit my ability to implement a coherent and consistent foreign policy. While I encourage increased congressional involvement in the formulation of foreign policy, the pattern of unprecedented restrictions contained in this bill requires that I reject such congressional encroachment on the executive branch's constitutional authority to implement that policy.

NOTE: The President spoke at 11:24 a.m. in the Cabinet Room at the White House.

437

Veto of the Foreign Assistance Bill. *May 7, 1976**To the Senate of the United States:*

I am returning, without my approval, S. 2662, a bill that would seriously obstruct the exercise of the President's constitutional responsibilities for the conduct of foreign affairs. In addition to raising fundamental constitutional problems, this bill includes a number of unwise restrictions that would seriously inhibit my ability to implement a coherent and consistent foreign policy:

- By imposing an arbitrary arms sale ceiling, it limits our ability to respond to the legitimate defense needs of our friends and obstructs U.S. industry from competing fairly with foreign suppliers.
- By requiring compliance by recipient countries with visa practices or human rights standards set by our Congress as a condition for continued U.S. assistance, the bill ignores the many other complex factors which should govern our relationships with those countries; and it impairs our ability to deal by more appropriate means with objectionable practices of other nations.
- By removing my restrictions on trade with North and South Vietnam,

S. 2662 undercuts any incentive the North Vietnamese may have to provide an accounting for our MIAs.

- By mandating a termination of grant military assistance and military assistance advisory groups after fiscal year 1977 unless specifically authorized by Congress, the bill vitiates two important tools which enable us to respond to the needs of many countries and maintain vital controls over military sales programs.

The bill also contains several provisions which violate the constitutional separation of executive and legislative powers. By a concurrent resolution passed by a majority of both Houses, programs authorized by the Congress can be later reviewed, further restricted, or even terminated. Such frustration of the ability of the Executive to make operational decisions violates the President's constitutional authority to conduct our relations with other nations.

While I encourage increased Congressional involvement in the formulation of foreign policy, the pattern of unprecedented restrictions contained in this bill requires that I reject such Congressional encroachment on the Executive Branch's constitutional authority to implement that policy.

Constitutional Objections

With regard to the Constitutional issues posed by S. 2662, this bill contains an array of objectionable requirements whereby virtually all significant arms transfer decisions would be subjected on a case-by-case basis to a period of delay for Congressional review and possible disapproval by concurrent resolution of the Congress. These provisions are incompatible with the express provision in the Constitution that a resolution having the force and effect of law must be presented to the President and, if disapproved, repassed by a two-thirds majority in the Senate and the House of Representatives. They extend to the Congress the power to prohibit specific transactions authorized by law without changing the law—and without following the constitutional process such a change would require. Moreover, they would involve the Congress directly in the performance of Executive functions in disregard of the fundamental principle of separation of powers. Congress can, by duly adopted legislation, authorize or prohibit such actions as the execution of contracts or the issuance of export licenses, but Congress cannot itself participate in the Executive functions of deciding whether to enter into a lawful contract or issue a lawful license, either directly or through the disapproval procedures contemplated in this bill.

The erosion of the basic distinction between legislative and Executive functions which would result from the enactment of S. 2662, displays itself in an

increasing volume of similar legislation which this Congress has passed or is considering. Such legislation would pose a serious threat to our system of government, and would forge impermissible shackles on the President's ability to carry out the laws and conduct the foreign relations of the United States. The President cannot function effectively in domestic matters, and speak for the nation authoritatively in foreign affairs, if his decisions under authority previously conferred can be reversed by a bare majority of the Congress. Also, the attempt of Congress to become a virtual co-administrator in operational decisions would seriously distract it from its proper legislative role. Inefficiency, delay, and uncertainty in the management of our nation's foreign affairs would eventually follow.

Apart from these basic constitutional deficiencies which appear in six sections of the bill, S. 2662 is faulty legislation, containing numerous unwise restrictions.

Annual Ceiling on Arms Sales

A further objectionable feature of S. 2662 is an annual ceiling of \$9.0 billion on the total of government sales and commercial exports of military equipment and services. In our search to negotiate mutual restraints in the proliferation of conventional weapons, this self-imposed ceiling would be an impediment to our efforts to obtain the cooperation of other arms-supplying nations. Such an arbitrary ceiling would also require individual transactions to be evaluated, not on their own merits, but on the basis of their relationship to the volume of other, unrelated transactions. This provision would establish an arbitrary, overall limitation as a substitute for case-by-case analyses and decisions based on foreign policy priorities and the legitimate security needs of our allies and friends.

Discrimination and Human Rights

This bill also contains well-intended but misguided provisions to require the termination of military cooperation with countries which engage in practices that discriminate against United States citizens or practices constituting a consistent pattern of gross human rights violations. This Administration is fully committed to a policy of not only actively opposing but also seeking the elimination of discrimination by foreign governments against United States citizens on the basis of their race, religion, national origin or sex, just as the Administration is fully supportive of internationally recognized human rights as a standard for all nations to respect. The use of the proposed sanctions against sovereign nations is, however, an awkward and ineffective device for the promotion of those policies. These provisions of the bill represent further attempts to ignore important and complex policy considerations by requiring simple legalistic tests

to measure the conduct of sovereign foreign governments. If Congress finds such conduct deficient, specific actions by the the United States to terminate or limit our cooperation with the government concerned would be mandated. By making any single factor the effective determinant of relationships which must take into account other considerations, such provisions would add a new element of uncertainty to our security assistance programs and would cast doubt upon the reliability of the United States in its dealings with other countries. Moreover, such restrictions would most likely be counterproductive as a means for eliminating discriminatory practices and promoting human rights. The likely result would be a selective disassociation of the United States from governments unpopular with the Congress, thereby diminishing our ability to advance the cause of human rights through diplomatic means.

Trade with Vietnam

The bill would suspend for 180 days the President's authority to control certain trade with North and South Vietnam, thereby removing a vital bargaining instrument for the settlement of a number of differences between the United States and these countries. I have the deepest sympathy for the intent of this provision, which is to obtain an accounting for Americans missing in action in Vietnam. However, the enactment of this legislation would not provide any real assurances that the Vietnamese would now fulfill their long-standing obligation to provide such an accounting. Indeed, the establishment of a direct linkage between trade and accounting for those missing in action might well only perpetuate Vietnamese demands for greater and greater concessions.

This Administration is prepared to be responsive to Vietnamese action on the question of Americans missing in action. Nevertheless, the delicate process of negotiations with the Vietnamese cannot be replaced by a legislative mandate that would open up trade for a specified number of days and then terminate that trade as a way to achieve our diplomatic objectives. This mandate represents an unacceptable attempt by Congress to manage the diplomatic relations of the United States.

Termination of Grant Military Assistance and Advisory Groups

The legislation would terminate grant military assistance and military assistance advisory groups after fiscal year 1977 except where specifically authorized by Congress, thus creating a presumption against such programs and missions. Such a step would have a severe impact on our relations with other nations whose security and well-being are important to our own national interests. In the case of grant assistance, it would limit our flexibility to assist countries whose

national security is important to us but which are not themselves able to bear the full cost of their own defense. In the case of advisory groups, termination of missions by legislative fiat would impair close and long-standing military relationships with important allies. Moreover, such termination is inconsistent with increasing Congressional demands for the kind of information about and control over arms sales which these groups now provide. Such provisions would insert Congress deeply into the details of specific country programs, a role which Congress has neither the information nor the organizational structure to play.

I particularly regret that, notwithstanding the spirit of genuine cooperation between the Legislative and Executive Branches that has characterized the deliberations on this legislation, we have been unable to overcome the major policy differences that exist.

In disapproving this bill, I act as any President would, and must, to retain the ability to function as the foreign policy leader and spokesman of the Nation. In world affairs today, America can have only one foreign policy. Moreover, that foreign policy must be certain, clear and consistent. Foreign governments must know that they can treat with the President on foreign policy matters, and that when he speaks within his authority, they can rely upon his words.

Accordingly, I must veto the bill.

GERALD R. FORD

The White House,

May 7, 1976.

438

Remarks on Submitting Proposed Legislation To Provide Financial Assistance for the 1980 Winter Olympic Games.

May 7, 1976

FIRST, I wish to extend my very warm welcome to all of you who are here today—the representatives of the Lake Placid Organizing Committee; Philip Krumm, president of the United States Olympic Committee; Gerald Zornow, Chairman of the President's Commission on Olympic Sports, and other commissioners of that body; distinguished Congressmen are also here; Gene Cowan of ABC, whose spectacular television coverage of the Olympics brought the thrill of victory and the agony of defeat right into the living room for myself and millions and millions of other Americans who were watching those spectacular

Olympic games; and, finally and most particularly, to the seven athletes who won medals on our behalf in the 1976 Winter Olympic games in Innsbruck.

Today, we are here to pay tribute to your recent accomplishments and to consider the future of American amateur athletics in the Olympic efforts of this country. I doubt whether anybody here, except the athletes themselves, fully understands the tremendous sacrifices that you and your fellow teammates have made over the years and at Innsbruck in order to successfully compete in the Olympic games.

I would like to thank each and every one of them on behalf of all Americans for the honor which your achievements have brought to our country and for advancing the cause of international fellowship.

Obviously, it makes all of us extremely proud of what you have done. I believe that the time is right for greater understanding and support of amateur athletic competition in this country. For this reason, I appointed a Presidential Commission on Olympic Sports last year to examine the nature of American athletic competition. Their report, due later this year, will assess the organization and the financing of amateur sports in this country and how it affects American participation in international competition, such as the Olympic games.

An important factor in the success of American Olympic teams is the availability of first-class facilities for training as well as competition. Many of the most thrilling events of the 1976 Olympics, like the bobsled races and ski jumping events were held at facilities which required tremendous expenditures to construct. Europe, as we all know, has several speed skating rinks and a number of 90-meter ski jumps. The United States, I'm sorry to say, has only one speed skating rink and no 90-meter ski jumps. As a result, American athletes in these events must spend long months abroad to prepare for competition or they must, on the other hand, limit their training.

America is very proud of her Olympic athletes and proud to have them take part in the great Olympic competition. I am proposing, therefore, legislation that will provide special financial assistance for the 1980 Winter Olympic Games to be held at Lake Placid, New York. The funds will be used to build permanent sports facilities, including, among others, a speed skating rink, a 90-meter ski jump, and a luge run. These facilities will not only be used for the 1980 Olympics but will also be available for United States athletes to train on thereafter.

I know that many of the Senators and the Congressmen here today, like Bob McEwen of New York State, have worked hard to improve amateur athletics and to bring the 1980 winter games to the United States. Hopefully, the pro-

posals that I am making and submitting to the Congress will permit the full realization of these goals.

Thank you very much.

NOTE: The President spoke at 11:40 p.m. in the Rose Garden at the White House.

439

Remarks on Arrival at Omaha, Nebraska. May 7, 1976

IT'S great to be back in my native State. And it's wonderful to have an opportunity to give a message to my many friends and supporters here in Nebraska and to say to them that the fight to achieve the Presidency for the next 4 years begins anew right here in Nebraska, and it's a fight that's going to be continued until we prevail and are successful in Kansas City in August of this year.

It's a fight that will ensure the continuation of policies that have brought us from the depths of a recession to a new level of prosperity in America. It's a fight that's going to continue the policies of rolling back the bureaucracy, the redtape in Washington, D.C. It's a policy that will preserve and continue the peace that we have and the peace that we must keep for the future. It's a policy that will lead to the continuation of faith and trust and confidence in the Presidency itself.

As I said, this is a campaign that is beginning anew. It's a campaign that's essential for the continuation of the policies of the last 2 years that have been successful. A mandate would be very helpful in maintaining the momentum that we now have for peace, prosperity, and trust. It's a campaign and a fight that will lead to success here in Nebraska and success in Kansas City in November for the country as a whole.

NOTE: The President spoke at 3:50 p.m. at Offutt Air Force Base.

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Remarks at Groundbreaking Ceremonies for the Bergan-Mercy Hospital in Omaha. May 7, 1976

Thank you, Sister Mary Vera, Archbishop Sheehan, Senator Hruska, Senator Curtis, Secretary Butz, Mayor Zorinsky, distinguished guests, ladies and gentlemen:

On my way here this afternoon, I visited the site of the house where I was

born at 32d and Woolworth. As it is for anyone who revisits the scene of his early childhood, the visit was a very moving experience, mixed with nostalgia, with a new appreciation for having been born in this very wonderful part of the country. And thanks to the generosity of the people of Omaha, the site where the house once stood is being transformed into a garden to mark the birthplace of the first native of Nebraska to serve as President of the United States.

That's certainly a record I never expected to establish when I left this city for Michigan at the ripe old age of a year and a half. [*Laughter*]

I am deeply honored by the thoughtfulness of the people of Omaha in preserving this site, and I thank everyone who participated. But my real purpose in being here, though, is to honor the courage and the resourcefulness of a great number of other Nebraskans.

Just 1 year and 1 day ago, a disaster struck Omaha in the path of a devastating tornado. Archbishop Bergan-Mercy Hospital was struck with its full force, but miraculously none of the 900 patients and staff members inside the hospital was seriously injured.

The Sisters of Mercy and the hospital staff showed great courage, great heroism, in evacuating the self-care unit before it was wrecked and moving patients into the safety of the main building. It was truly a magnificent job of responding to the ravages of the worst storm ever to hit Omaha.

Throughout the city, people brought order to a chaotic situation, provided for the injured and the homeless, and cleaned up the damaged sections of this great city.

I first—and very early—heard about the tornado directly from Senator Hruska and Congressman John McCollister, two members of your very fine congressional delegation. Federal disaster relief was on its way within 24 hours, and now the rebuilding of the damaged area is so complete it is very difficult to find any sign that a tornado ever passed through here.

I can't help but say this: When you have a tornado or a flood or an earthquake, it's nice to know that somebody in Washington in the Federal Government does care. So, you should be proud here of what all of you have done, what all of those who helped you have done, and the self-sufficiency and this great community spirit.

You are preparing now not only to rebuild from the ruins of a major disaster but to expand on this site. This groundbreaking in itself is an act of courage and of faith, two qualities that have never been in short supply in the

great State of Nebraska. The new East Tower which will rise from this site will be more than an institution of health care. It will be an inspiration to all of the citizens of Omaha. It will symbolize your strength, your compassion, your sophistication, and your rising ambition. In more practical terms, it will serve your community with nursing care of the very highest quality for older citizens of the Omaha area.

All of us know that it takes money, and lots of it, to build a facility like the East Tower—money to maintain it, money to staff it, money to provide the professional care that is needed so much. As a result, medical care, especially for the elderly, can be a very expensive proposition. If an older person has to stay in a hospital or a nursing home or—under doctor's orders—for an extended period of time, it can put an incredible strain on lifetime savings and on the peace of mind of the patient and the loved ones alike. Being in poor health for a long time is bad enough without having to worry about the ruinous economic effect of long term illness.

I have suggested a plan to ensure that older Americans will receive medical and hospital care they need without going broke in the process. Under this suggestion, Medicare patients in hospitals or nursing homes would never have to pay more than \$500 a year for medical care or 10 percent of their total hospital bills, whichever is less. For covered doctors' services, the maximum would be \$250 or 20 percent of the total, whichever is less. Medicare would pay the rest, whether it costs \$1,000 or \$10,000 or \$500,000.

I want to see America's older citizens live their lives in dignity and in security and in the very best possible care. So do the Sisters of Mercy, who have given more than a century of service to the sick and to the disabled in America. They have shown countless times that the quality of mercy blesses both those who receive it and those who give it.

The rebuilding of your city and the expansion of Archbishop Bergan-Mercy Hospital exemplifies another important trait that I am proud of as an American—our continuing faith in our American way of life.

Fears of some of the problems we have had in the last year provided another challenge. As we have seen so often in the history of our Nation, the threat of adversity merely uncovered new reservoirs of strength and resourcefulness. You have not only repaired the damage following a disaster, you have built a newer and better facility for a newer and better community.

The feeling of confidence in the future that I see being rekindled all across America is no better demonstrated than right here in Omaha, on this site,

where the ravages of the past have so confidently been replaced with our very best hopes for the future.

Thank you very kindly.

NOTE: The President spoke at 5:25 p.m. after touring the hospital facilities. In his opening remarks, he referred to Secretary of Agriculture Earl L. Butz and Mayor Edward Zorinsky of Omaha.

Following his remarks, the President joined Arch-

bishop Daniel E. Sheehan of the Archdiocese of Omaha and Sister Mary Vera O'Connor, RSM, president of the board of directors, Bergan-Mercy Hospital, in turning the ceremonial shovel which broke ground for the new additions to the hospital.

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Remarks at a President Ford Committee Reception in Omaha. May 7, 1976

Thank you very much, Roman, Carl Curtis, all of you:

First, I want to thank the people of Nebraska, Omaha, and especially all of you for the extremely warm welcome and the wonderful hospitality that has been shown. I'm proud to be a native Nebraskan.

I do want to thank you also for the kind of support and assistance that all of you have given. Without this kind of aid, cooperation, we couldn't be in this ballgame and in the situation where we are today—where from all the reports I get, our chances are very good.

Now, let me, if I might, take just a minute to give you the message as I see it, which I think epitomizes the last 21 months and which is the foundation from which, in my judgment, we have built for another good 4 years. If you would refresh your memories just a little, back to August of 1974, and then see what has transpired in the last 21 months, I think a person can say that there has been a record of peace, prosperity, and trust established.

You know, in 1974 this country was going through great trauma as far as the economy was concerned. Inflation was over 12 percent. We have cut it, for the first 3 months of this year, down to under 3 percent. And the news we got yesterday about the Wholesale Price Index was one that we could have anticipated; you can't always, in this situation, get every one of them as good as they have been the last 5 months. But the prospects overall, the trend as far as inflation is concerned is good, and it's going to stay on the decline.

But if you look at the problems concerning the economy jobwise, we got some excellent news today. The Bureau of Labor Statistics, the Department of Labor announced that in the month of April we had 700,000 more people on payrolls

in this country, up to a total of 87,400,000—by far, the most employed in the history of the United States.

So, I think a person can talk to his neighbor, to his partner, to his business associates, to anybody, and say that in the 21 months, we have taken this country through a tough, tough time by the right policies, by keeping our cool, beating the Congress over its head with 40 vetoes that have been sustained, where we have saved over \$13 billion.

It wasn't easy, believe me. We had a lot of advice from all sources saying that, "Do what the Congress wants you to do, spend a lot more money, do this and do that." It wasn't right; we didn't do it. And I think we are now in the process where we can say with pride that we are on the right track and we are going in the right direction. To summarize it, everything that is supposed to be going up is going up and everything that is supposed to be going down is going down.

I think you know the record that we can also speak with great pride about. It's the first time that a President of the United States can seek election or reelection in the last 20 years where that President can say this country is at peace, and when we can say we are meeting our manpower needs without the draft. We are spending all of the money that is needed and necessary for good military programs: the Air Force, the Army, the Navy, and Marines. We have this peace, we are going to keep it by being strong, diligent, alert, well-prepared, well-led.

And then, if we turn to the last point, if you will refresh your memories, 21 months ago this country had gone through a very, very serious loss of confidence. It was not an easy job, but I think by openness and candor and responsibility, frankness, integrity, we have helped to restore public confidence in the White House and in the executive branch.

And so if we have an opportunity to do this job for another 4 years, I can promise you that the progress we have made will be increased tremendously in the 4 years. So, I hope and trust that you and all of your friends and neighbors will give us a chance to do so.

Thank you very, very much.

NOTE: The President spoke at 6:12 p.m. in the Hall of Four Flags at the Ramada Inn. In his open-

ing remarks, he referred to Senators Roman Hruska and Carl Curtis of Nebraska.

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Remarks and a Question-and-Answer Session at a Farm Forum in Omaha. May 7, 1976

Thank you very, very much, Senator Carl Curtis, Senator Roman Hruska, Secretary Butz, ladies and gentlemen:

It's really great to be in Omaha, and I hope the feeling is mutual. After all, I was born here.

Before getting to our question-and-answer session, let me make a few comments on my administration's agricultural policy.

First of all, those policies have been successful. The average American farmer has had a higher net income during the last 3 years than ever before in history, and it will be just as good or better in 1976. Well, realized net income for the average farmer in Nebraska was \$4,041 in 1964; it was \$17,510 in 1974. That's a fourfold increase, and you earned every penny of it.

This very successful record has been achieved without a lot of bureaucratic interference from Washington, D.C. I don't think that's just a coincidence. You no longer have heavy farm surpluses hanging over the market, depressing your prices, costing the taxpayers \$1 million a day in storage fees.

Instead of storing grain in Government bins, we are selling it in record volume. Farm exports totaled \$21,600 million in the last fiscal year. It will be around \$22 billion in this fiscal year.

We will export an estimated 3.1 billion bushels of wheat and feed grains in this marketing year, an alltime record. We will export about 1½ billion bushels of corn, 1.2 billion bushels of wheat, 250 million bushels of grain sorghum, about 50 million bushels of barley and oats.

Within the last 2 weeks, we have announced the sale of almost 5 million metric tons of corn and wheat to the Soviet Union, which brings the total sale of grain to the Soviet Union for our 1975 crops to 16½ million metric tons. Beyond that, we have already sold grain from the 1976 crop as a part of an agreement my administration negotiated with the Soviet Union to ensure the sale of at least 6 million metric tons of grain to the Soviet Union every year through 1981. I hope we can sell them even more. This long term agreement was a direct and beneficial result of the negotiations pursued by this administration last fall.

Last summer, a short Soviet crop brought the Soviet Union to the American market for 375 million bushels of grain. Our wheat harvest was nearly com-

pleted by July, but dry weather had already caused damage in the Western Corn Belt. We could not discount the possibility of another drought or an early freeze, as we had had in the previous year of 1974. To protect our livestock producers, our regular customers overseas, and the American people, we were forced to intervene to learn the Soviet's intentions.

With the greatest reluctance, we put a temporary hold on further grain sales to the Soviet Union. Pressures mounted in the Congress—as I am sure Carl and Roman can attest to—to halt all private grain sales and put agricultural exports in the hands of a Government management and control board, just as Canada and some other countries have at the present time. You and I know that is the last thing we need—is the Government running your business 365 days a year.

The situation, however, did require corrective action and a long-term solution. The solution was the negotiation of a 5-year agreement at market prices. That agreement is working and working very well. Now we have a very steady market, not a boom and bust cycle that can't be controlled or can't be predicted.

The prospects for grain and soybean sales this year are very excellent; carry-over inventories are much higher than a year ago. As of April 1, the wheat stocks in the United States were up 42 percent from last year. Corn stocks were up 27 percent, and soybean stocks were up 31 percent.

Early nationwide production forecasts indicate this year's crops should be bountiful. Thus, our inventories and our production should be fully sufficient to satisfy all of our domestic and export demand. Therefore, I foresee no prospects whatsoever of any Government interruption of the exports of the American farmer.

These good sales and glowing prospects are the fruits of free trade. They are also the benefits of peace, of aggressive, successful negotiations, and of your own hard work. Furthermore, they are a major force behind America's rising prosperity, and I congratulate and thank each and every one of you.

I have no intention of exploiting the American farmer by using farm exports as a pawn in America's foreign policy. Nor do I intend to see America's farm export market jeopardized by corruption or inefficiency at the grain inspection station.

I have directed the Department of Agriculture to do everything it can to maintain the confidence of our export grain customers through proper certification. In addition, I favor legislation providing more careful supervision of grading and weighing of grain for export. But turning over your business to one Government bureaucracy, federalizing the entire inspection system is going much, much too far, and I am opposed to it.

It is not necessary to extend Federal participation to interior points where no hint of impropriety has ever been reported, but I intend to see corruption in the grain inspection business stopped, and we will stop it firmly where it has existed.

I also intend to reduce the excessive Government regulation of farm operations. For that reason, I was glad to sign the legislation exempting custom combine operators and other skilled farm workers from the provisions of the Farm Labor Contract Registration Act. Incidentally, I would like to sign an amendment to that legislation shortening the title of the act, but I guess you can't have everything.

I do favor Federal regulation when it is necessary, as in the case of the proposed packer bonding legislation to protect livestock producers against losses from bankruptcies and other serious financial problems in the livestock packing industry.

The future success of American agriculture depends on striking a better balance between providing Government assistance where it is needed and removing Government restrictions which are not needed.

My administration is working hard to strike that balance because I know that the future of America depends so much on you, your work, as well as your success. I have taken steps to enhance that future by recommending in my latest budget proposals a \$21 million increase in funds for new, fundamental research efforts in agricultural sciences.

Research has been the key to the American farmers' miraculous production revolution. If we are to double world agricultural output in the next 25 years, as we must, both new technology and better use of existing technology are absolutely essential. Your own University of Nebraska has benefited from our research programs and, I must say, returned the favor. In a joint effort with the Department of Agriculture, the university has developed a rugged new strain of winter wheat which now accounts for a major portion of our total winter wheat crop.

Finally, the future depends on the new generations of Americans who will take your places on the farms and the fields of America. I want to preserve the family farm, one of America's greatest resources. I want those farms to stay in the family, rather than be sacrificed to pay the tax collectors. Accordingly, I have proposed legislation to increase the estate tax exemption from \$60,000 to \$150,000 and, in addition, to stretch out estate tax payments at very low interest rates over a 25-year period; to exempt transfers of property between husband and wife.

My policy, then, is for you to grow all you want and all that you can sell, for the American consumer to have a plentiful supply of good food and quality fiber, for our agricultural exports to sell at record volume at market prices, for the government to stay off your backs and off your farms except where you want them, and for family farms to stay in the family.

And as I close, I am proud to say that I have a Secretary of Agriculture, a good friend of yours, Earl Butz, working with me to make our farm policy successful. To reflect the Secretary's dominant role in all farm policy, both foreign as well as domestic, I have appointed Earl to serve as a Chairman of my Cabinet-level Agricultural Policy Committee. But he is the first to admit we need the advice of the farmer as well as the government official.

I can assure you I will reemphasize it and reaffirm it: This Cabinet committee in no way whatsoever replaces the many committees sponsored by the Agricultural Department through which farmers give us guidance on everything from grazing problems to commodities to research activities. You have helped us make the farm policies we followed the last 21 months. More importantly, you have helped make those policies succeed. We are a good team, and I would hate to see a good team broken up right in the middle of the ballgame.

That's why I am in Nebraska, my native State, asking for your support next Tuesday, next November, and for the next 4 years.

Thank you very, very much.

QUESTIONS

Q. Mr. President, I am president of the Nebraska Livestock Feeders Association. We want you to know that we appreciate this opportunity to personally ask you questions about government which concern us. Since 1973 the livestock industry has been served some catastrophic blows by the Federal Government. In 1973 the administration opened up the import quotas, first of all, and secondly, price controls were put into effect. The net result was upsetting the normal marketing patterns, causing prices to decline and thus tremendous loss to the livestock industry.

The question I have for you, Mr. President, is if similar conditions to '73 arose, would your administration have to bow to consumer pressures at our expense, or would it stand by the industry which has produced red meat so efficiently and abundantly in the past?

THE PRESIDENT. First, I'm sure you recognize I was not President in 1973 or whenever the price ceilings were placed on cattle. And I think you know that I have fought a very hard battle against outside forces, against some Members of

Congress in both the House and the Senate, against wage and price controls.

I repeatedly said from the first day that I became President that I was totally, unequivocally opposed to wage and price controls. I was then, I still am, and I will continue to fight anybody who wants to impose them on this country. They were wrong in the first place, they are wrong now.

Q. Mr. President, Mr. Thomas Kauper in the Department of Justice has testified and made speeches that are viewed by farmer cooperatives and farmers as trying to weaken or destroy the farmers' bill of rights as set forth in Capper-Volstead. Could you give us your position on Capper-Volstead?

THE PRESIDENT. Well, my best recollection is that I believe the legislation is sound. I believe the legislation should not be tinkered with and, therefore, any proposals to change it have not come to my desk and, therefore, since I believe in it, I think it ought to stay where it is.

Q. Mr. President, I am a practicing veterinarian. The Nebraska Veterinary Medical Association members present this evening thank you for the invitation to be present at this forum.

It is estimated that the Nebraska livestock industry lost \$180 million due to livestock disease in 1975. The profession is in complete accord that we have effective and safe pharmaceuticals and biologics. However, the last few years, the profession has lost a great number of effective and needed pharmaceuticals because of Food and Drug Administration regulations. Likewise, the profession has lost the use of a great number of effective and needed biologics because of USDA efficacy and safety standards that are too stringent.

Sir, is there some possible way in which the practicing veterinarian can have a hand in the decisionmaking and product development of pharmaceuticals and biologics that are badly needed today and to help in curtailing our livestock losses?

THE PRESIDENT. I see no reason why there can't be an input from the veterinarian profession. But I think it's also accurate to say that in many cases—and I believe it would be true in this case—that the kind of legislation that has been written is so rigid and so lacking in flexibility that the Department itself is almost hamstrung in what it can do or what it can decide.

I know that's true in some of the areas where EPA has been faced with the problem of certain pesticides. The legislation in that case, I know categorically, is so tightly drawn that there is absolutely a minimum limit of flexibility as far as EPA is concerned.

And this is what happens very often—I don't say in every case and maybe in the case that you cite there is more flexibility—but the tendency has been, for

the last 6 or 10 years, that Congress will write legislation that sounds good at the time it is enacted.

It is a very good illustration of that in what we call the Delaney amendment, which says that if a certain substance produces cancer in heavy doses in animals, it automatically must be banned. That's in the legislation without any equivocation. So, some of the problems that you raise and others may raise go back to the fundamental legislation passed by the Congress.

Now, I'm not exempting all the bureaucrats, believe me, but if there is any reason—and it appears on the surface there is—for the veterinarian profession to participate in some of this program establishment, I would be the first to advocate it. And I will talk to the Secretary of Agriculture, after we finish here, about it.

Q. Honorable Mr. President, distinguished Senators, Secretary of Agriculture, I deem it a privilege to be here this evening for this farm forum. I am president of the Nebraska Farmers Union.

My question is, since the Government has put a ceiling on grain prices for the last 3 years in a row by various kinds of controls and embargoes on exports, now for the next 5 years the Government's agreement with the Russians provides that there will be controls on what the Russians can buy any time they might want more than the average of the past several years. The question is, if the administration insists on putting a ceiling on farm prices to keep them from going up in times of shortages, why don't you put a floor under farm prices to keep them from going down in times of surpluses?

THE PRESIDENT. Sir, I know of no ceiling price on any farm commodity. Certainly none have been applied since I have been President. None. So, I think we have to dismiss that, because it isn't a fact.

Now the situation in the 5-year agreement with the Soviet Union provided that in this year's crop or last year's crop they could buy 6 million more metric tons than they had bought up to the time of the agreement. And as I was checking the facts and figures today, they have got a leeway of about another million tons before they can say, "Can we buy some more?"

Well, as I said a moment ago, I see no circumstances whatsoever as to why, if they wanted to buy 2 million more tons or 5 million more tons, we wouldn't sell it to them. We would sell it to them. And I said that once, and I will repeat it here again.

Now, in the 5-year program that goes through 1981, they guarantee to buy 6 million metric tons. That's above the average that they have bought over the last 5-year period. And they can go up to 8 million metric tons without con-

sultation. If they want to buy more than that, there is no problem, as I see it.

So, there is no ceiling, one, on prices, and little or no ceiling that I see in any way whatsoever as far as the purchase by the Soviet Union or the sale by us of grain.

Q. How about the floor?

THE PRESIDENT. Well, as I recall we have—what is?—the target price. I don't recall what it is for corn and wheat and soybeans, but there is a floor under the target price established in the legislation that was passed first 3 years ago and extended last year. It goes into 1977. There is a target floor price and that target floor price is aimed at making certain that there is a basic ceiling. But it's much lower than the market price now. It's much lower than the market price that anybody anticipates. So, it's an insurance policy, but one that I don't think the farmers will ever have to use.

Q. Mr. President, I am executive secretary of the Nebraska Livestock Feeders Association. Would you support investigations and action against the Amalgamated Meat Cutters and Butcher Workmen, which is an AFL-CIO affiliate, on their restraint of trade activities?

For example, they will not allow fresh meat to be sold in Chicago without a meatcutter being present and, therefore, people in Chicago cannot buy fresh meat after 6 o'clock at night, even though the store might be open. And they are also banning the use of pre-cut or boxed beef in many cities, even though the new technology does create a savings of from \$30 to \$50 a carcass. And it is reported that the areas where boxed beef is prohibited by union rule covers about 16 percent of our population or about 33 million people.

THE PRESIDENT. I strongly oppose those kind of free market interferences. I think they are fundamentally destructive as far as the consumer is concerned. I think they are harmful to the producer. Those kind of restraints of trade, in my judgment, ought to be eliminated. And as far as I am concerned, they can either be done by affirmative action of the Department of Justice or they can be done by enactment of legislation. I would favor one or either of those approaches.

Q. Mr. President, I am representing the Nebraska State Grange, and we certainly appreciate the opportunity to visit with you today.

First of all, I would like to comment that the last time I visited with you, we talked about the number one problem to agriculture was inflation. I believe this is still true. The Grange certainly supports your attempts to control inflation by your method of cutting government spending and certainly deficit spending.

We also talked at that time about your efforts to lower unemployment and

also getting the economy moving. And again, the Grange supports your efforts in this area, particularly as you try to encourage private enterprise to move into this area as opposed to Federal spending, Federal Government jobs, and Federal programs.

My question today is—we also support your efforts to continue the present farm program to some degree. Now, we recognize that after 1977 we're going to have to come up with a new Federal farm program. We would hope that this would be one of the priorities after the fall election. And I'm wondering if at this time you have any comments that you would like to make as to offer any changes in the present program, what they may be or may not be?

THE PRESIDENT. Well first, I would expect that Secretary Butz, in his Agricultural Policy Committee would give me the specific recommendations for any change, if any. My basic judgment is that the present law, as far as it affects corn and wheat and soybeans, is good, sound, basic legislation. I would vigorously oppose going back to the kind of legislation that existed for most of the 25 years that I served in the Congress, where we had the net results of heavy surpluses, restricted acreage, of minimal overseas markets. That kind of a program, I would vigorously oppose.

I participated when we made the change from that kind of a program to the kind we have today when I was a Member of the House of Representatives. And unless I see some serious deficiencies—and I don't see any now—I would basically propose the continuation of our present farm legislation. I think it is consistent with my basic philosophy, which is to minimize government regulation, to maximize the utilization of the free enterprise system, and to give the individual the kind of economic freedom and liberty which has made this country great.

That's the kind of farm legislation I think we have, and that's the kind I want for the next 4 or 5 years.

Q. Mr. President, I am a veterinarian at North Platte, Nebraska. As I recall, one of the first acts or one of the first vetoes that you levied was against the animal health research bill after you took office. In 1940 there was 40 percent of the Federal research budget spent for agricultural and livestock disease research. By 1975 this had diminished to 1.5 percent.

Most of the research funds at the present time are dispensed on defensive type research. The Hatch Act, as amended in 1956, provided for 50 percent of the Federal funding and 50 percent of the funding from the States. At the present time, the Federal portion of this has dropped to 18 percent to support this research. There is an ever-increasing demand for food production. Even with

such problems as the energy crisis, the environmental controls that we have to contend with, and OSHA, agriculture has met these demands in the past—and I was very encouraged to hear you talk this evening about the research bill that you are funding. Would you please give us a little more information on this as to what it will be to support?

THE PRESIDENT. Doctor, that bill that you mentioned was legislation sponsored by Congressman John Melcher of the State of Montana. What he wanted to do was take out of the total research budget for the Department of Agriculture and say this particular part should be firm, inflexible, and everything else had to then be divided up.

I was advised by the top people who were the research experts that it would be inadvisable to make an arbitrary cut just for one segment of agricultural research and to let everybody else fight for what was left, and because I think the research experts ought to have flexibility—one year the problem you raised may be the most important; the next year some other agricultural research project might be far more important. And it seems to me if we have good people in agricultural research in the Department of Agriculture, they ought to be able to make the kind of decisions that are sound in the research field. And I do know that whoever is in charge does get the advice and counsel from the agricultural research people around the country at the time they put their budget together. And on the basis of their recommendation in November, I increased the Department of Agriculture research budget by \$21 million as I indicated in my remarks.

Now, from my experience in the Congress, I think rather than categorize how much in each area, you ought to give more money and you ought to give flexibility to the experts. And may I add a feature about research and development which is a very important part of our Federal Government's overall effort: The Federal Government—in the budget that I submitted this last January to the Congress, includes about \$26 billion in just plain research. That's across all departments. It's an 11-percent increase in research, both applied as well as basic research. And as the \$21 million figure indicates, agriculture got its fair share of that increase.

Now, the problems that we are trying solve most dramatically come in the field of energy. I increased the energy research funds by about 35 to 40 percent. We substantially increased the funds for solar research. We substantially increased the funds for the kind of projects which I know the people in Nebraska and Kansas are interested in, windmill projects. Now, those are not projects that will have a big payoff right away, but they are projects we have

to fund. We have to increase our funding. I did increase the funding because in the long run, research in America has paid off and helped to make us where we are today. And in the world we face for the future, we have to do more and more of it in order to keep ahead. And I am a strong advocate of research, and in the case of agriculture, I think the record proves it.

Q. Mr. President, I am a farm wife. First, on behalf of the wives of America, I want to thank you for your proposal of tax free transfer of property between spouses. Just as a marriage cannot survive without the efforts of both spouses, in middle-income families a taxable estate cannot be acquired unless both spouses work together.

According to the Farm Real Estate Developments Economics Research Service of the USDA, in Nebraska, our farmland increased in value 1,023.8 percent and across 48 States, 1,126.3 percent between 1942 when the \$60,000 exemption was passed and now. In view of these statistics, would you consider raising the specific exemption more than the \$150,000 over the next 5 years? And also, will you try to push Congress in enacting a change in the near future, and when do you feel that we can expect a change?

THE PRESIDENT. Well, I submitted the proposal that I mentioned, going from \$60,000 to \$150,000, extending the payment of the taxes—the first 5 years, no tax payment, and then for the next 20 years, phasing whatever is due above the exemption over a 20-year period. And I did, as you indicated, propose the transfer from one spouse to another without any tax burden being levied.

Now, I recommended that proposal in January. The House Committee on Ways and Means, which is where that kind of legislation must originate, has not—I think they have held some hearings, but they haven't taken any action.

Your good Senator, Carl Curtis, is on the Senate Committee on Finance. It might be or it could be attached to what we call a tax reform bill but—I am not downgrading Carl Curtis' influence there; in fact, he is one of the finest members on that committee—but I have some reservations that that legislation is going to go any place. Isn't that right, Carl?

Now, what we ought to do—this is my own feeling—is to get the House Committee on Ways and Means to take this legislation involving the estate tax and to try and send it through the House and the Senate in what we call a clean bill, without “Christmas treeing” it—as Carl well knows—where they add a lot of extraneous sort of private tax legislation.

So, if we can get the House Committee on Ways and Means to move, I don't think you would have any real problem in the Senate. I know Carl—he is for

more than I want to give. But he wants \$200,000, and I am not going to fight him very hard.

But the point is we ought to get some action and we, from the White House, are working on the House Committee on Ways and Means. I don't want to promise you categorically, because the Congress has been less than cooperative in a number of cases this year. And so all I can say is that I am committed, and we are doing everything we possibly can and we will continue to do it.

Q. Mr. President, I am State president of the Nebraska Feeder's Auxiliary. In the interest of consumers and livestock feeders as well, is anything being accomplished to implement the same rigid inspection and grading standards on imported beef as our U.S. products are subject to, and will it be labeled as imported?

THE PRESIDENT. Well, this is a matter that is being considered in the Congress and being studied in the executive branch. It sounds very simplistic and very easy. If we get too tough and too rigid, it could have a reverse impact on what we want to sell abroad—grain, wheat, soybeans, et cetera. It has to be a two-way street, and we expect them to keep the level up to a reasonable safety standard, absolutely.

But, if we are going to put punitive levels on it, it will be counterproductive, because they will retaliate, close our markets to our other agricultural commodities. So, it's my feeling we ought to be absolutely certain that they meet our sanitary and safety standards, period. But we shouldn't try to take punitive action, because it could be very, very counterproductive as we try to expand our markets for wheat and corn and soybeans and the other great American agricultural commodities.

Q. Can we have it labeled as imported?

THE PRESIDENT. I see no reason why it cannot be labeled, none whatsoever.

Q. That is very helpful. Thank you, Mr. President.

Q. Mr. President, I am a veterinarian. My question relates to education. We have about 30,000 veterinarians in the United States. Less than 2,000 graduate each year. My question is this: We are interested in the administration's intent toward continued support of professional education.

THE PRESIDENT. As I recall, about 6 to 7 years ago, there was a program initiated to try and help expand our veterinarian schools all over the country. I was quite familiar with it at that time because of the interest of Michigan State University, where they have an outstanding veterinarian school. I must be very honest and frank with you, I cannot give you the details on what the status is. I don't believe in kidding people. So, we can find out what it is, and we will let you know, but I don't want to give you a wrong answer. It's just one that I can't

give something categorical and definitive on. We will see that you get the answer.

NOTE: The President spoke at 8:05 p.m. at the Holiday Inn Resort Complex.

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Remarks at a President Ford Committee Breakfast Reception in Omaha. May 8, 1976

THANK you very much, Carl. I want to thank both Senator Carl Curtis and Senator Roman Hruska for their great support and wonderful assistance. They, of course, are two of the outstanding legislators in the Congress of the United States. They are long-time, personal friends, and I can't thank Roman and Carl sufficiently for the help and assistance that they have given me. I am proud to be associated with both of them, and you should be proud of them as your United States Senators. And I am also very proud and very grateful for the fact that all of you are here supporting me, and let me assure you I will not let you down in the next 4 years.

I want to say with emphasis that Nebraska has always been and is right now a very crucial State, because it's a contest within the Republican Party as to which of the two nominees should represent our party in the next 4 years, in the next campaign. So, what we do between now and next Tuesday is critical, is crucial. It requires a maximum effort by all of you, by me, and by our friends throughout the great State of Nebraska.

If I might, I would like to take just a minute to reemphasize in your minds what at least I believe are the things we can say affirmatively, the things that are critical as we talk to our neighbors, to our friends, and to anybody else who will listen.

You can put it in three words, really, the achievements of the last 21 months since I have had the privilege of being President of the United States. You can say it's prosperity, it's peace, and it's trust. Those are three pretty good words.

Let's take each of them for just a moment. We can say with emphasis that when I became President, the economic situation in this country was deteriorating very rapidly. Inflation was over 12 percent. We have cut it down for the first 3 months of this year—under 3 percent. That's a 75-percent reduction in the rate of inflation. That's progress by any standard.

When I became President, we were on the brink of the worst economic conditions this country had suffered for almost 40 years. Employment was going

down. Unemployment was going up. We got some news yesterday that showed that we have completely reversed that situation.

Yesterday, the Department of Labor announced, the Bureau of Labor Statistics, that employment in the month of April, just 1 month, had gone up 700,000, and that if you go back to the last 12 months, and go from May or April to April, we had gained 3,300,000 jobs in the United States, and that's not a bad batting average either.

And the net result is that as of last month, 84,700,000 people were gainfully employed. That's an alltime record in the history of the United States. I am sorry—86,700,000. But it shows the progress. It shows that we have been doing the right things, and the net result is our economy is on a very good track. And if I have the opportunity to be the President for the next 4 years, we will continue those policies, and that progress will likewise continue in the future.

Now, let's talk about peace. I'm going to say at the University of Nebraska, when I have the privilege of speaking there this morning, that this is the first graduating class in a long, long time—back since 1941—that hasn't had to expect the draft or selective service; that we have been able to man our Army, Navy, Air Force, and Marines by voluntary action on the part of those who want to enlist.

So, this is progress. We are able to do the job, to maintain the peace without depending upon selective service or the draft. In other words, we have a capability through strength to convince our allies that we are strong and to convince our adversaries that they shouldn't tinker with us. So, under any standard that you say, we have sufficient military capability to carry out our missions. Our allies know it, and our adversaries know it.

And then I think you can say that since the tragedy of the period just before I became President, where there had been a great loss of confidence by many of our fellow Americans, we have had an open administration, a candid administration, a frank administration. And the net result is there has been a restoration of confidence and trust in the White House. And I can assure you that in the next 4 years, this policy of openness, frankness, integrity, will absolutely continue, as it must under our kind of government, and as it will under a Ford administration.

And one further comment. Ever since becoming President, we have never promised more than we could perform, and we will perform on everything we promise. And that's the kind of relationship that I think a President must have with the people of this country, and that's the way it will be because that's the way it will have been.

We aren't going out to tell people that we will promise them the Moon, when we know in our hearts we can't perform. And everything we tell them, everything we promise them, we will achieve. That's the way we have been, and the results are good—prosperity, peace, and trust between the people and the President of the United States.

And, therefore, it's my view that we can go to our fellow citizens with an assurance, with a feeling that they can trust us, and we can work for them.

Thank you very, very much.

NOTE: The President spoke at 8:35 a.m. in the Empire D Room at the Holiday Inn.

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Commencement Address at the University of Nebraska in Lincoln. May 8, 1976

Thank you very, very much, Chancellor Breckenridge, Dr. Varner, Mr. Moylan, Senator Hruska, Senator Curtis, graduates, families, and guests:

President Varner, it was my great privilege this morning to be initiated as an Honorary Member of the Senior Honorary Society of Innocents; that is a unique occasion, an honor, for a President of the United States. [*Laughter*]

But as I walked in here, I was just greatly impressed by this fantastic sports center. Bob Devaney is not only a great football coach and Terry Carpenter is not only a great legislator but both of them aren't bad architects either. [*Laughter*]

I was born not far from here, in Omaha, and although I moved away at a very early age, I have always had a great affection and a tremendous respect for Nebraska and for the people of the Great Plains.

Some years before many of you graduating here were born, I can remember very vividly the welcome given by Great Britain to Dwight Eisenhower, who was raised, of course, in your next-door neighbor, the State of Kansas. It was just after the Second World War and he was a hero on both sides of the Atlantic. There in Guildhall, before an assemblage of leading dignitaries, Ike told the audience in very simple but very moving eloquence, "I come from the heart of America." It was always one of Ike's proudest claims. It has always been one of my proudest claims. And in the years before all of you, I hope that it will become one of your proudest testaments as well.

Before coming here today, I thought back for a few moments on how much you, the graduating students of the Class of 1976, have seen and witnessed dur-

ing the 4 years that you have been in college. Certainly those 4 years have been among the most traumatic and the most trying in this history of the United States.

Since you came here as freshmen, one of our longest and most divisive wars has wound to a very tragic conclusion. We have experienced the worst recession since the Dust Bowl days of the 1930's. We have suffered the worst inflation in our peacetime history. And a scandal in high office cast a shadow over the Presidency itself. Nor did any of these tragic events occur in a vacuum. They followed directly from a decade that was filled with even greater social unrest and social tension. Violence, campus riots, civil disturbances, mounting distrust—all of these were an unhappy legacy of the 1960's.

By the time that you came to college, some of our most influential citizens throughout the length and breadth of our country seemed to be losing faith in America. In "The Greening of America," a book that swept many, many college campuses early in the 1970's, author Charles Reich asserted that, "For most Americans work is mindless, exhausting, boring, servile and hateful. Our life activities have become plastic, vicarious, false to our genuine needs." "The Nation," concluded a well-known historian, "is essentially evil and the evil can be exorcized only by turning the system upside down." A leading newspaper columnist said it more pointedly. "American life doesn't work any more."

Fortunately, the great majority of our people never gave up, never lost faith in themselves or in this great country.

In the 4 years that you have been here at the university, the Nation has not only persevered but more importantly it has prevailed. As you leave today to enter the mainstream of the working world or perhaps to continue your studies, I would suggest to you that the United States is far, far different, as we see it this morning, from the world that you knew when you came here as a freshman.

The changes are perhaps more evident in areas such as our economy. For millions upon millions of our citizens, the fears of inflation and unemployment, so strong just a year ago, are now receding. No one believes that we have fully cured our economic ailments, but the patient is mending rapidly, and there is every reason to be more confident for the future.

Progress can be found in many other areas. We are at peace. Our friendships in Europe and in the Pacific are showing renewed vitality. As you leave this university today, you become a part of the first generation in more than 30 years that can graduate with a choice rather than a mandate to be drafted into the armed services. And, too, our farm exports to the rest of the world are at record

levels. We are forging a new, more creative relationship with the developing nations of the Southern Hemisphere. Because we are strong, because we are prepared, because our will is undiminished and our purpose is clear, America has gained a new respect. The free world once more looks to us for leadership and for inspiration.

All of these changes are surface examples of a broader phenomenon that is occurring in our society. I sense that the Nation is finally turning away from an incessant preoccupation with its troubles, turning away from the inward-looking pessimism to a great new spirit of optimism. A new buoyancy is emerging in America. For the first time in a long while, there is a growing faith in the future in America. We see it in the way that consumers are now committing more of their financial resources to new homes, new cars, and other major purchases. We see it in what businesses are doing, once again beginning to invest in new plants and new jobs. Not only are Americans investing in the future, but foreigners are, too, as they decide to build new businesses, shopping centers, and other large enterprises in our Nation.

We also see the growing confidence out across the great breadbasket of the country, where farmers are expanding their crops and their production. We see it on campuses, where students have put down their bricks and taken up their books, and we see it especially in churches and in families, where there is a deep yearning for spiritual fulfillment.

We have not yet overcome many of our most persistent problems. No one should pretend that we have. We are still far below our potential as a people. Unemployment, poverty, crime, and prejudice are too far widespread, but we have moved beyond a time that could be characterized as the greening of America. What we see today is the healing of America.

I would urge upon you young men and you young women entering a world of swift, blinding change—you learn and understand what has happened in these last few years. One day, when one or all of you are directing the affairs of state or of nation, it may be very helpful to look backward to the 1970's and ask how America pulled itself up by its bootstraps.

One answer I suggest is that even in its darkest hours the United States stayed economically, materially, and morally strong. Even when the Nation was afflicted with high inflation and high unemployment, we still had the most dynamic, most productive economic system in the entire world. With less than 6 percent of world population, we continued to produce over a third of the world's goods and services. Our standard of living by any standard is unmatched. Our farmers continue to be the wonder of mankind. A single farmer today pro-

duces enough food to feed 50 people, both here as well as abroad. And let us never forget the great reservoir of spiritual and moral strength that we have in this country, the American character that has never known the meaning of the word "retreat."

After the First World War, President Woodrow Wilson was asked why American soldiers had been so successful on the battlefields of Europe. "I will tell you," he said, "that war was won by the American spirit." You know what one of our American wits said, that it only took half as long to train an American army as any other because you had to train them to go only one way.

There is a second lesson to be learned from these last years as well. It struck me with a very special force since I became your President. The fact is that every President of the United States in modern times is besieged with requests and pleas to intervene and to solve almost every problem confronting our citizenry. As soon as serious difficulties arise, a cry seems to go up that the Federal Government should rush to the rescue with more programs, more spending, more regulation, anything so long as the pain is eased and the problems postponed to another day.

I have been raised in a different school, a school that has its home out here in the Great Plains. It is a school that says that the American people are better equipped to solve many of their own problems than is the Government in Washington. It is a school that says government has already grown to an ominous size and already interferes far too much in the lives of its citizens. It is a school that says when people gain the belief that government has every answer, they lose that necessary belief in themselves.

There in Washington, as inflation and unemployment mounted in late 1974 and early 1975, there were rising pressures for the President and the Congress to intervene with new, massive programs. "Start spending more money," we were urged by many. "Let's have higher and higher budgets, higher and higher deficits, more and more debt, and then if that only produces more inflation, we can put the economy in a new straitjacket of wage and price controls." But we weren't prepared to go down that road again. We had seen its results too many times before.

This time, with the stalwart help of your congressional delegation, we resisted that temptation to let the government solve our economic problems. Instead, we entrusted the primary responsibility to the people themselves and to the great free enterprise system that is the mainspring of our society. Today the results are self-evident. The American recovery is moving along rapidly and with greater vitality than any other economy throughout the world. While the eco-

conomic threats have certainly not disappeared, we now have concrete evidence that if Washington will only make the right decisions, if Washington will only trust the people, then America can stay on the path toward prosperity.

There is one final lesson to be drawn from these years that I hope each and every one of you will always remember. Many, many times in the 1960's and in the early 1970's, as skies grew dark and cloudy, there was a temptation to give up, to yield to the voices of defeat or the voices of hysteria, but the American people never did. They never gave up.

Here in Nebraska people have always known full well what it is to endure and to overcome adversity. As students here at the university, you must have read about the hardships of the 19th century prairie life in the novels of one of Nebraska's and one of America's most beloved writers, Willa Cather. You must have talked with your parents as well as your grandparents about the great farm depression and the droughts of the 1930's. You know that life on the Great Plains can be tough and that one thing you can never afford to do is quit.

By instinct Americans move in only one direction—forward. The story is sometimes told how Thomas Edison invented the electric light bulb. Time and time again he tried to find the right filament but could not unlock the secrets of science. Finally, his young assistant said, “Mr. Edison, perhaps you should give up. You have tried your experiment 586 times and every time you have failed.” “No,” replied Edison. “We have only found 586 ways that won't work and won't have to be tried again. Soon, we will find one that does.” He did. Edison was never a quitter. To him, as he once said, “Genius is 1 percent inspiration and 99 percent perspiration.”

Members of the graduating Class of 1976, I join your parents and your friends this morning in saluting you for your accomplishments. By your studies here, you have earned one of the most cherished documents that anyone can possess—a college degree. You have successfully begun your careers during one of the most exciting and potentially one of the most rewarding periods in all of America's history.

In the years ahead, when new challenges arise—as they surely will—I urge that you bear in mind the lessons of the past. Remember that America is a great and a good nation with an enormous reservoir of material and personal resources. Remember that the secret of America lies not in the power of its government, but in the power, the freedom, and the goodness of its people. And remember, too, that America is always at the height of its glory when she has to climb the tallest mountains.

A few years ago we celebrated the 150th anniversary of Abraham Lincoln's

birth. The biographer and poet, Carl Sandburg, went to the fields of Gettysburg to reflect for a few moments about the Nation that he loved. He spoke about the history of America and the spirit of America. The will and vision that motivated people in Plymouth seeking freedom of conscience, this moved on and was written on the faces at Valley Forge. It was on the faces of men who marched from home to the campaign that brought them to Gettysburg. "Long before this time of ours," he said, "America saw the faces of men and women torn and shaken in turmoil and chaos and storm. Always the path of American destiny has been to the unknown. And always there arose enough reserves of strength, balances of sanity, portions of wisdom, to carry the Nation through to a fresh start with an ever-renewing vitality."

Today, you begin your own journey into the unknown. You carry with you our best wishes and fondest hopes. You carry the wisdom of one of our finest universities, and you carry, too, a great heritage of Nebraska, of the Plains, and of America.

Congratulations, and thank you very, very much.

NOTE: The President spoke at 10:55 a.m. at the University of Nebraska Sports Center. In his opening remarks, he referred to D. B. "Woody" Varner, president, James Moyan, chairman of the board of regents, and Adam C. Breckenridge, chancellor,

University of Nebraska.

Prior to his remarks, the President was presented with an honorary doctor of laws degree by Chancellor Breckenridge.

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Remarks at the Nebraska Educational Secretaries Association Convention in Lincoln. *May 8, 1976*

I DO want to thank Mrs. Kinley and all of you from the Nebraska Educational Secretaries Association. It is real nice to have an opportunity to just say a very few words. I heard you were having your convention here, and I thought it would be nice to drop over and say hello. I know you are deeply concerned with the problems of education. You deal with them on a day-to-day basis, and therefore you might be interested in some of the thoughts that I have about education.

I have felt that basically the Federal Government was trying to require, trying to push on education in our States much too much paperwork and that the net result was there was much too much concern about filling out forms and not enough opportunity for students to get the benefits of funds that were made available by the Federal Government.



With Vice-Presidential running mate Senator Robert J. Dole, September 12, 1976.



Above: Campaigning in Illinois, March 13, 1976.



Right: Motorcade during the Tulip Festival in Holland, Michigan, May 15, 1976.

Opposite page: Greeting children at Hinson Memorial Baptist Church in Portland, Oregon, May 23, 1976.





Above: Greeting supporters at Republican National Convention in Kemper Arena, Kansas City, Missouri, August 16, 1976.



Above: With Mrs. Ford upon accepting the 1976 Republican Presidential nomination at Kemper Arena, August 19, 1976.

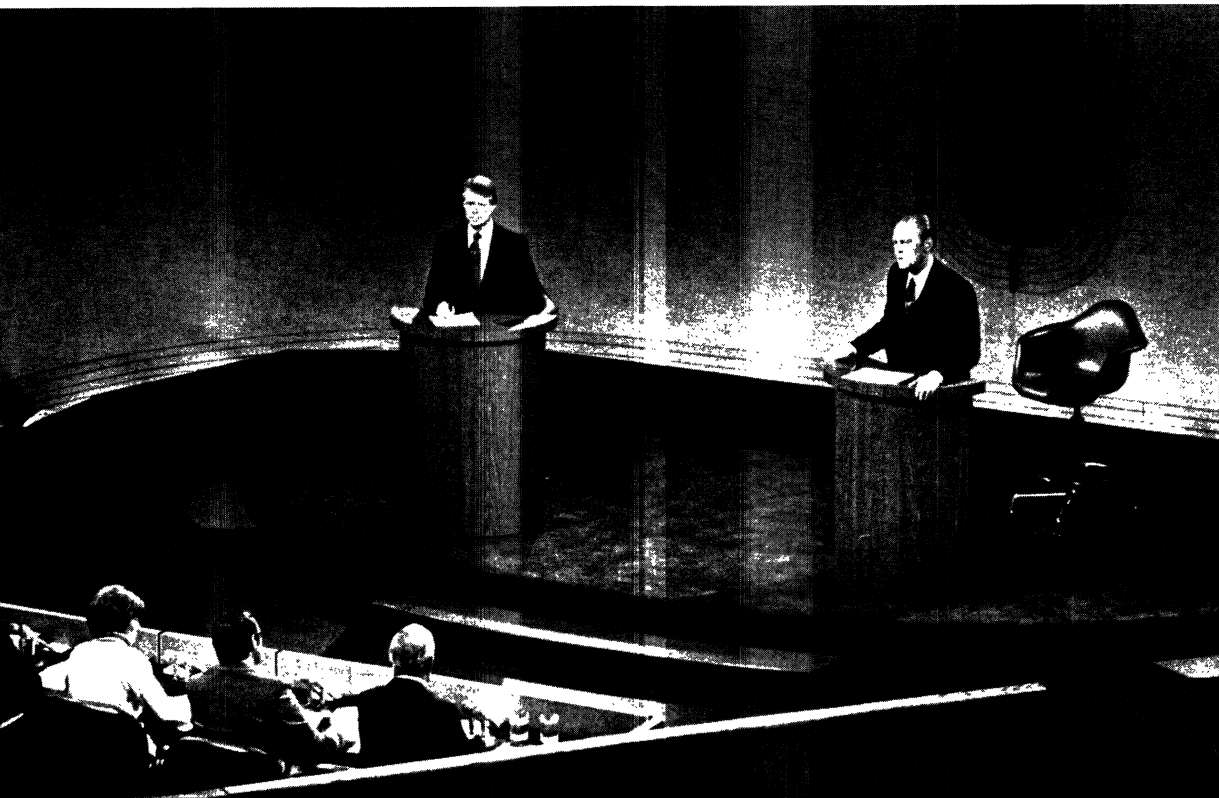


Above: At the 1976 Republican National Convention at Kemper Arena, August 19, 1976.



Above: Delivering Presidential nomination acceptance speech at Kemper Arena in Kansas City, Missouri, August 19, 1976.

Below: Presidential campaign debate with Jimmy Carter at the Walnut Street Theatre in Philadelphia, Pennsylvania, September 23, 1976.





Above: With Mrs. Ford in the wheelhouse on board the SS *Natchez* during a trip along the Mississippi River in Louisiana, September 25, 1976.

Below: Campaigning with Senators Jacob K. Javits and James L. Buckley, of New York, during a motorcade tour of Brooklyn, New York, October 13, 1976.





Above: Campaigning from Observation Car of the "Honest Abe" Amtrak train during an Illinois whistlestop tour, October 16, 1976.

Nothing would make me happier if we could make our teachers and others like you associated with education focus in on the pupil and not on the paper. So, that is what we are seeking to do with what we have called block grant educational funds from the Federal Government instead of the 26 categorical grant programs that are well-intentioned—I subscribe to them all, I think they are fundamentally aimed in the right direction—but the net result is that in most cases the people in Maine and the people in California are treated identically. The people in Florida are treated the same as the people in Minnesota and the educational problems in every State are quite different. And when you have inflexible categorical grant programs, it does not give the educators and those associated with them at the local level the opportunity to make their own judgments, to use their own wisdom, their own experience. And what you want to do in Nebraska is what is right for education here, and we ought to give the same opportunities to those who are in education in South Carolina.

So, what we are trying to do—we recommended to the Congress, not only the elimination of categorical grant programs in transforming them into block grant programs so you make the decisions, but we added to the money that the Federal Government would make available so every State would be held harmless and some States would get more. But the main thrust was to make sure that you had the Federal money, as much as you had before—and more too in a number of cases—and at the same time we could rely on your judgment to benefit the pupil, and that is what education is all about.

Thank you very, very much.

NOTE: The President spoke at 12:10 p.m. in the Grand Ballroom West at the Lincoln Hilton Hotel.

In his opening remarks, he referred to Oriel Kinley, president of the association.

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Remarks at a President Ford Committee Volunteers Reception in Lincoln. May 8, 1976

FIRST, I want to thank from the bottom of my heart Carl Curtis and Roman Hruska, both of them have been with me since I arrived in the State of Nebraska yesterday. They have not only been great Senators for you here in Nebraska but they have been giving great leadership to my campaign in Nebraska, and I thank Carl and Roman for their service to your State and to our country and their support for me.

But I also want to thank very deeply all of you who are volunteers, who have worked hard and are doing a good job in making sure that we win on Tuesday, and we are going to win.

But we have about 72 hours and that is not too much time to double and treble your efforts. I know you have worked hard. I know you probably are a little fatigued, but you win a ballgame by that last effort in the last quarter, and this countdown is vitally important. So, I urge you to maximize your efforts in the hours ahead. And as you meet your friends, talk to your neighbors, your farmer neighbors or your city neighbors, your professional friends or those who are in churches with you, let me give you in a capsule form what I think are the best selling points. They can be put in the label of prosperity, peace, and trust.

Let's take each one very quickly. Prosperity—refresh your memory—21 months ago this country was suffering inflation at the rate of 12 percent or more and for the first 3 months of 1976 the rate of inflation is 3 percent or less. That is a 75-percent reduction in the rate of inflation and that is not a bad batting average by any standard.

Refresh your memory—a year ago the doomsayers were saying we were on the brink of a depression. We were in a recession. We admitted that, but instead of panicking, instead of getting hysterical, we took a firm, steady, right course, and the net result is we are now having, according to the latest figures published yesterday, 86,400,000 people gainfully employed, the most in the history of the United States.

In those statistics that were released yesterday—two very impressive figures. We gained 700,000 jobs in one 30-day period, and in addition, from last April to this year we made a total gain of 3,300,000 jobs. The policies that we had, the programs that we followed, produced this kind of result.

So, the Ford administration can take credit for it, and we ought to be proud of it. It ought to be a big selling point for us when we go to the polls, or you all go to the polls on next Tuesday.

Now, one other point. I said indirectly to the students at Nebraska, the graduating class, they were the first class in 30 years—30 years—that could graduate and have a choice whether they wanted to go into the military or whether they didn't. This is the first time in 30 years that young people graduating from a university or a college would not be faced immediately with a mandatory obligation under selective service. And why have we been able to give them a choice—either they could volunteer or they could go into their

occupation—was because we have the right military and diplomatic policy. We are at peace.

And let me give you another several points. I am the first President seeking election or reelection in the last 20 years who can say that the United States is at peace. So, when you put it all together, our policies diplomatically, militarily, have been right. We have the peace, and we are going to keep it because we are right.

And then if you will take the third word, trust. I think since I have been President, August of '74, we have had an open, we have had a candid, we have had a forthright administration. The door was never closed to any individual or to any group, we have been frank and honest with the American people, and the net result is there has been a restoration of confidence in the Presidency. And that is something that was necessary, something we can build on.

So, on the basis of those three words, prosperity, peace, and trust, I think you can talk to your friends and neighbors and say that Jerry Ford ought to be the President of the United States for the next 4 years.

NOTE: The President spoke at 12:05 p.m. in the Grand Ballroom East at the Lincoln Hilton Hotel.

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Remarks at Dedication Ceremonies for the Harry S. Truman Statue in Independence, Missouri. May 8, 1976

Thank you very, very much, Governor Bond, Margaret Truman Daniel, distinguished Members of the House of Representatives and the United States Senate, Mayor King, Dr. Jonas, distinguished guests, friends, and admirers of Harry Truman:

Surrounded as I am by old friends and neighbors of President Truman, it would be hard and perhaps foolhardy for me to try to add anything to the affectionate tributes already paid him as a public servant and as a great man, but I have a few memories of my own, so let me try.

Mr. Truman, as it has been mentioned, was a great student of history, and he particularly liked to talk about his predecessors and the qualities of each of them that they brought to the Presidency. He was really an expert at it, allowing for a little tilt toward Jefferson, Jackson, and his distant kinsman, John Tyler.

The reason I know this goes back to my very first closeview meeting with him, in fact, my very first meeting with anybody, and my first view of the White

House. In the 81st Congress in 1949, I was a very freshman Member of the House of Representatives, and on the minority side, President Truman had seen to that in 1948. I had been assigned a place at the very bottom of the seniority ladder on the Public Works Committee, and one day President Truman invited all of us down to visit him at the White House. He greeted us very warmly and asked if we would like a personally guided tour through the House. And we got the full lecture; not just the public rooms, but upstairs through the family living quarters.

President Truman explained all the portraits, pointed out all the changes made by First Ladies, all the way back to Abigail Adams. But the tour wasn't all ancient history. The President also showed us the hole in the floor in Margaret's sitting room where her spinet piano attempted to obey the law of gravity. He stood us under the crystal chandelier that almost crashed down in the middle of an East Room reception. He pointed to the swayback ceiling of the State Dining Room, which he said was only held up by the force of habit, not gravity. We were all so tremendously impressed. We thanked President Truman, and trooped back up to Capitol Hill and promptly voted him every penny of the \$5,400,000 he wanted to completely renovate the White House.

So, I broke all the anti-spending promises of my first campaign, and I want to testify here today that I am glad and grateful for President Truman's foresight and concern for future occupants of that beautiful and historic House. Betty and I especially enjoy the Truman balcony.

There is a serious side, of course, to the story of President Truman's skill in lobbying the whole Public Works Committee. He was proud of his powers of persuasion, and he often said the President was the only person in Washington whose job is to lobby on behalf of all of the American people.

As a Senator from Missouri, he had to look after the special interest of his State. But, when he became President, he had to think about the interests of the whole country. That sometimes got him into trouble with the Congress—he conceded that very openly—and with political critics, not only in my party but from both the left and the right of his party. "When a President does not have a fight or two with Congress"—President Truman wrote in his memoirs—"you know there is something very wrong."

Although I was on the other side of many contests with him, I now know how President Truman felt. I am still trying, but I have a long way to go, to beat his post-war record of 250 vetoes.

Differ though we did on a lot of issues, I completely agree with President Tru-

man's stern concept of Presidential duty. "A President cannot always be popular"—he wrote after coming back home to Independence—"He has to be able to say yes and no and, more often no to most of the propositions that are put up to him by partisan groups and special interests who are always pulling at the White House for one thing or another. I have never felt that popularity and glamour are fundamentals on which the Chief Executive of the Government should operate. A man who is influenced by the polls or is afraid to make decisions which make him unpopular is not a man to represent the value of the country," so said Harry Truman.

"I have always," he said, "believed that the vast majority of the people want to do what is right, and if the President is right, and can get through to the people, he can always persuade them."

President Truman, like Abraham Lincoln, had a great faith in the ultimate good sense of our people. He liked them, he talked their language, and in 1948 they went to the polls and proved that his faith was fully justified. I remember that campaign very well, not because Governor Dewey was a native son of Michigan, but because it was my first bid for elective office. I had a tough primary fight against an incumbent, and President Truman, unknowingly, did me a favor by calling the Congress back in midsummer for his famous Turnip Day Session.

This kept my primary opponent in Washington while I was busy campaigning against the whole Washington establishment, which has always been a good way to get there. But, the real difference between my primary opponent and me was that he was a sincere isolationist and a leading opponent of the Marshall plan and President Truman's other efforts to rebuild war-torn Europe and to maintain the United States role of leadership in the world.

Like most of us just home from World War II, I went along with President Truman and the United States Senator from my home town of Grand Rapids, Michigan, Senator Arthur H. Vandenburg, in supporting a strong bipartisan posture in defense and foreign affairs. I won.

And I went on supporting President Truman as a Member of the Congress on the great issues affecting peace and national security, which is in the best tradition of our history and ought never to be exploited or distorted for personal or partisan political advantage.

President Truman noted in his memoirs that in 1948 it was the worst possible time for him to have to wage a political campaign because he was trying to negotiate with the Russians and trying to get some kind of cease-fire in the Middle East. "There should be no break in bipartisan foreign policy of the United

States at any time," he said, "particularly during an election year." Quoting President Truman, "We are dangerously close to forgetting today that it is the President's duty to lead the Nation in the conduct of its foreign affairs. This is a responsibility that cannot be delegated and must not be avoided."

Mr. Truman was much too seasoned a campaigner and much too realistic about the two-party system to suppose that foreign affairs would or even should be a forbidden subject in political debates. That is not what President Truman said. What he said was that American policy should not be demagogued, damaged, or derailed because of election year considerations.

I agreed then, and now I know how right he was. And I am going to follow his counsel and his example. Nobody in this country expects consensus or conformity in a democracy, but it is not too much to expect of a mature 200-year-old nation that its free political debates be conducted responsibly and rationally in the very sensitive areas of national security and our relations with other countries.

We know that both friends and foes are watching our election process closely and listening to every word we say that might affect them in the future. Throughout his eventful years as President, and after he left office, Mr. Truman repeatedly said the primary goal of all of his efforts was peace. He had learned about war firsthand as captain of Battery D in the First World War.

As Commander in Chief, he made some of the most difficult decisions of World War II, as well as Korea. He was acutely aware that world peace can only be secured through American strength and the closest ties with our allies. He had no illusions about our adversaries, but believed nevertheless that no door should be closed, even to the remotest chance, in the pursuit of peace.

I was just back from carrier duty in the Pacific on April 12, 1945, the day Vice President Truman was suddenly called to assume the Presidency of the United States. On the evening of August 9, 1974, after the same thing happened to me, I was walking through the West Wing of the White House, and I remembered my first visit there and how easily President Truman made a freshman Congressman feel at home—and he got his \$5,400,000.

One of my long-time associates reminded me that one of the first things a new President usually does is choose which portraits of three Presidents should be hung in the Cabinet Room. "We will leave President Eisenhower right where he is," I said, "and of course, I want Abraham Lincoln." "To balance it off," this associate of mine said, "how about Andy Jackson?" "No, Harry Truman," I said. "Are you absolutely sure?" he asked. "That is my decision," I said.

He knew where the buck stops, and he was never afraid of the heat in the kitchen.

Thank you very much.

NOTE: The President spoke at 2:50 p.m. at the Independence Square Courthouse. In his opening remarks, he referred to Governor Christopher (Kit) Bond of Missouri, Mayor Richard A. King of Inde-

pendence, Margaret Truman Daniel, President Truman's daughter, and Dr. Harry S. Jonas, chairman of the Harry S. Truman Statue Committee.

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Remarks at Ceremonies Opening the Armed Forces Week Exhibit. May 10, 1976

Secretary Rumsfeld, members of the Cabinet, Members of the Congress, members of the Joint Chiefs of Staff, members of the Armed Services, ladies and gentlemen:

We meet here today in America at a time of peace, but we meet in the shadow of a monument to one who said: "To be prepared for war is one of the most effectual ways for preserving the peace." Today, our defenses are strong, and we will keep them strong—not strong for the sake of war, but strong for the sake of peace.

Around us this morning are stirring symbols of America's military might. They remind us of the advanced technology and industry which keeps America's defenses strong. But let us remember, in the midst of this impressive display, that our military strength does not lie in these weapons alone. It lies in the muscle and brawn, the sinew and blood and bone of those who serve in our Armed Forces.

And statistics like the number of missiles, the tonnage of ships, the firepower of weapons must not distract us from the quality of those who are trained to use them. Military history has demonstrated over and over again that the character of a nation's soldiers and their commanders determines military strength more than any other single factor.

The men and women in all branches of our defense establishment are not only well-trained and well-armed, but just as important, they are courageous and devoted to the American ideals of peace and freedom that they may be called upon to defend. Such soldiers have no price tag. How can we measure the value of an American who has suffered or died for freedom? Or how much was a Grant or a Lee, a Patton or a Nimitz or an Eisenhower worth?

We owe these people our eternal thanks and gratitude. We owe them our

admiration and our support. Our soldiers and sailors and airmen and marines and Coast Guard are professionals, and we owe them the finest tools this country can provide, and we will give them the means to do that job.

The B-1 bomber, a model of which is displayed here today, represents just one part of our commitment to this task. We have laid the keel for the first of a series of new missile-launching submarines, the Trident missile fleet, which will be the foundation for a strong and technologically superior force through the 1980's. We are developing a new main battle tank, new fighters, a new intercontinental ballistic missile for the 1980's. And one excellent example of advanced capability is the new cruise missile we are developing for our air and naval forces. This is a significant technology in which we lead the world.

The weapons we hold today and those we plan for the future give America a mighty power. But with such power comes a mighty responsibility. We must never forget the purpose for which our arsenal is intended. That purpose is not to terrify the weak, to provoke armed confrontation, nor to lay claim to that which is not ours. Our purpose is to defend freedom and to maintain a foundation of strength on which a better and more peaceful world can be built.

That thought should motivate every man and woman in our Armed Forces, and their determination to fulfill that purpose must also live in the hearts of every American.

We must all do our best to ensure our Nation is well defended, and we must all do our best to keep America worth defending—peaceful, prosperous, and free.

Thank you very much.

NOTE: The President spoke at 11:13 a.m. at the Washington Monument.

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Memorandum on the Combined Federal Campaign.

May 11, 1976

[Dated May 10, 1976. Released May 11, 1976]

Memorandum for the Heads of Departments and Agencies

I am pleased to announce that The Honorable Richard L. Roudebush, Administrator of Veterans Affairs, has agreed to serve as Chairman of the Combined Federal Campaign for the National Capital Area this fall.

This campaign, which will begin in September, combines into a single drive

the solicitation efforts of the United Way of the National Capital Area, the National Health Agencies, and the International Service Agencies. In this one drive we will seek to do our share to meet the needs of more than 150 local, national and international health, welfare and social service agencies.

These organizations deserve our wholehearted support. Working together through the Combined Federal Campaign we can provide the needed help for our neighbors and friends with special needs. To those in need, the voluntary agencies are a beacon of hope. Frequently, they are the only source for needed assistance.

Through the Combined Federal Campaign, Federal workers and military personnel are offered a unique opportunity to help persons in our community, in our Nation and in overseas lands by one gift once a year. Their pledges can be fulfilled through voluntary payroll deductions. I am confident that Mr. Roudebush will have your wholehearted support in this endeavor. I urge you to commend the campaign to Federal employees and military personnel in your organization.

GERALD R. FORD

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Memorandum on the Combined Federal Campaign.

May 11, 1976

[Dated May 10, 1976. Released May 11, 1976]

Memorandum for Federal Employees and Military Personnel

The Combined Federal Campaign gives each of us the opportunity to show our individual concern for those in need. In this one campaign are combined the annual fund-raising efforts of the local United Way, the National Health Agencies, the International Service Agencies, and the American Red Cross.

Through the Combined Federal Campaign we can provide support for these voluntary organizations which are working to make our community, our nation, and the world a better place in which to live. Through CFC we can support organizations which are performing essential services to the disadvantaged and are serving the youth and the aged in our community. We can help voluntary agencies which are working to lessen the pain and distress of illness and are conducting research to seek cures from dreaded diseases. And we can assist agencies which serve beyond our own national boundaries, extending a helping

hand to our friends in overseas lands. We have a unique opportunity to do all this through one gift—a gift made easier by the availability of payroll deductions.

Federal employees and military personnel have a proud tradition of generosity and concern for others. I am confident that tradition will be upheld this year. While the amount you give is a personal, voluntary decision, I hope that each of you will join me in supporting the Combined Federal Campaign to the fullest extent possible.

GERALD R. FORD

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Remarks Upon Signing the National Science and Technology Policy, Organization, and Priorities Act of 1976. May 11, 1976

Mr. Vice President, Members of the House and Senate, distinguished leaders of the scientific and engineering community, and friends:

I am pleased that all of you could join with me on this very important occasion.

Almost 200 years ago, Thomas Jefferson said: "Knowledge is power; knowledge is safety; knowledge is happiness."

We Americans have sought knowledge since Jefferson's time, sometimes for its own sake and often used for the betterment of our own lives and the protection of the ideals on which our country was founded.

Those of us here today share a very strong view that science and engineering and technology can and must continue to make great contributions to the achievement of our goals. We look to the men and women of our scientific and engineering community to provide new knowledge and to provide new products and services that we need for the growth of our economy, for the improvement of our health and for the defense of our Nation and for a better life for all.

During the past 21 months I have been able to put into practice some of my views about the importance of science and technology. In June of 1975, I proposed legislation to create a new Office of Science and Technological [Technology] Policy. That proposal has passed the Congress and is now before me for approval. We have taken other steps to draw upon the knowledge of our scientific and technical experts.

I have submitted to the Congress, as part of a fiscal year 1977 budget, requests for nearly \$25 billion that is needed to assure that we are moving forward in all major areas of research and development, particularly in basic research.

This is an increase of approximately 11 percent.

Today, I sign into law the National Science and Technological [Technology] Policy, Organization, and Priorities Act of 1976. In addition to establishing the new office, the bill calls for an intensive study of the way we utilize science and technology in the government and in the Nation. It helps to assure that we will have the views of State and local governments, business, labor, and citizen groups in a great effort.

I congratulate and thank the Members of the Congress on the fine work represented by this legislation. It is a good example of an effective cooperation between the Congress and the executive branch, and I am most grateful.

I am now very pleased to sign this bill into law.

NOTE: The President spoke at 10:48 a.m. in the East Garden at the White House.

As enacted, the bill (H.R. 10230) is Public Law 94-282 (90 Stat. 459).

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Statement on Signing the National Science and Technology Policy, Organization, and Priorities Act of 1976. May 11, 1976

TWO HUNDRED years ago, one of this Nation's Founding Fathers and a man of great intellect—Thomas Jefferson—observed, "Knowledge is power; knowledge is safety; knowledge is happiness."

Jefferson knew, as did the other great leaders who established this republic, that the pursuit and wise application of new knowledge are essential to any nation's progress. They encouraged exploration, new methods of agriculture, the establishment of scientific societies and institutions of higher learning, and protection and improvement of the Nation's health. They supported those who sought to expand America's physical and intellectual frontiers—our explorers, scientists, inventors, engineers, and teachers.

This strong emphasis on progress through knowledge has continued throughout our history. It has been instrumental in helping develop the America we know—its agriculture, industry, economy, health, national security, and many of the amenities we enjoy. Science, engineering, and technology have combined to become a basic underlying force in American life—a force that America has shared with the world to the ultimate benefit of all mankind.

Now, as we enter our third century, science, engineering, and technology are more important than ever in meeting the challenges and opportunities which lie ahead for this Nation and the world.

The bill that I am signing today—the National Science and Technology Policy, Organization, and Priorities Act of 1976, H.R. 10230—will help us in meeting those challenges. It outlines a comprehensive policy for achievement of our national objectives through the effective utilization of science and technology.

The key provision of the bill is the creation of a new Office of Science and Technology Policy in the Executive Office of the President. I first proposed legislation to authorize this office in June 1975. I attach great importance not only to a strong national effort in science and technology but also to the availability of expert advice at all levels in the Federal Government. This new office will provide an important source of advice on the scientific, engineering, and technical aspects of issues that require attention at the highest levels of government.

The bill also calls for a 2-year study of the overall context of the Federal science, engineering, and technology effort. This study should provide the basis for reassessing the organization and management of Federal research and development activities. It should help to ensure that government efforts are properly related to those of private enterprise which has the primary responsibility for turning new ideas into new and improved products and services for the marketplace.

Finally, the bill calls upon the Director of the new Office to establish an inter-governmental science, engineering, and technology advisory panel to identify problems of the State, regional, and local levels where science and technology can contribute.

Along with continued, vigorous support from the private sector, a strong Federal effort in science, engineering, and technology is critical to our future. My 1977 budget calls for \$24.7 billion for Federal research and development programs—an increase of 11 percent over 1976 estimates. I am hopeful that the Congress will approve my funding requests, particularly those to increase Federal support of basic research.

The National Science and Technology Policy, Organization, and Priorities Act of 1976 reflects a renewed recognition of the importance of scientific, engineering and technological contributions. It symbolizes the confidence we Americans have in our ability to improve our way of life and to find better solutions to the problems of the future. I take great pleasure in signing this bill into law.

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Special Message to the Congress on U.S. Disaster Assistance to Italy. May 11, 1976

To the Congress of the United States:

On May 6, an earthquake of great destructiveness hit the northeastern portion of Italy. The Italian Government currently estimates that this disaster has left over 800 persons dead, more than 2,300 injured, and from 40,000 to 60,000 people homeless.

In the message I sent to President Leone immediately following the news of the earthquake, I expressed our sympathy for those who are suffering and indicated that the United States stands ready to provide assistance. Initial U.S. aid, under U.S. Ambassador John Volpe's direction, has been speedy and has included:

- Emergency shelters, medical supplies and foodstuffs provided through the Agency for International Development and the Department of Defense.
- Transportation and medical facilities, including medical evacuation helicopters from the Department of Defense.
- Reconstruction and heavy earth moving equipment from three of our bases in Italy.
- Disaster relief specialists to assist Italian Government authorities in planning and implementing relief programs.

While this initial assistance has been helpful, more aid is needed to help the survivors to rebuild their lives and to help the Italian nation recover from this tragedy. Accordingly, I have asked the Congress to provide \$25 million in disaster relief as part of the Second Supplemental Appropriations Bill for FY 1976.

At the same time, at my request, Vice President Rockefeller will visit Italy this week to receive a firsthand report on the impact of the earthquake and on the ways in which the United States can best be of assistance. He will be accompanied by my Special Coordinator for International Disaster Assistance—AID Administrator Daniel Parker—who has been instructed to review the situation in the fullest possible detail. Based on the firsthand assessment resulting from this mission, I will immediately inform the Congress should there be further steps required to permit the United States to assist as fully and effectively as possible.

In the US-Italian Joint Statement of 1974, President Leone and I took note

of the extraordinarily broad human ties between Italy and the United States of America, and the shared values and goals which bind together the Italian and American peoples. Now, at a time when natural disaster has brought such great tragedy to the people of Italy, Americans everywhere are moved to respond quickly and in the spirit of profound friendship between our countries.

The request I have sent to the Congress for \$25 million in disaster relief assistance will enable us immediately to translate our concern into action to help alleviate the suffering in Italy.

GERALD R. FORD

The White House,
May 11, 1976.

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Remarks Upon Presenting the Multiple Sclerosis Mother and Father of the Year Award. *May 11, 1976*

FIRST, I want to congratulate the Multiple Sclerosis Society for its long and very helpful record of trying to highlight the problems relating to MS and also to make the American people aware of the great courage and strength of people such as you, Mrs. Van Meter and Mr. Rikard.

I do wish to congratulate you, and it's an honor for me to give you this plaque as Mother of the Year. We are delighted to have you here and are very glad that you could be here.

And you, Mr. Rikard, I'm very pleased to award you this plaque as the Father of the Year for MS. Good luck, and God bless you. It's nice to have you here.

We're delighted to have somebody from Alabama and somebody from Iowa. The very best to both of you.

I congratulate the members of the society and what you have done and what I know you will do in the months and years ahead.

The best to all of you. We are very grateful, on behalf of 215 million Americans, for the achievements in the past as well as well into the future.

The very best to you.

NOTE: The President spoke at 12:20 p.m. in the Rose Garden at the White House where he presented plaques to Sharon Van Meter of Iowa City, Iowa, and Ralph M. Rikard of Montgomery, Ala.

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**Toasts of the President and Queen Margrethe of Denmark.
May 11, 1976**

Ladies and gentlemen:

It is a very great privilege and pleasure for Mrs. Ford and me to have you with us on this occasion in the White House. On your first visit to our country since ascending the throne, I welcome you very warmly on behalf of all of the Americans.

Americans have a historic affinity and a special friendship for Denmark, and we want your stay in our country to be as joyous and rewarding as possible. There are no less than 22 cities and towns in the United States called Denmark. I think this is somewhat indicative of the Danish influence in America's heartland where I understand you are visiting, and those of us who come from that part of the country, of course feel it is the heartland of America.

I am tremendously delighted that you will visit many, many parts of the United States and that our people have an opportunity to meet you and to treat you as hospitably as I know they will. I am especially pleased that you will visit the Virgin Islands because of the very special ties flowing from those historic islands.

Your visit is very timely in this Bicentennial Year because our two countries have maintained uninterrupted diplomatic relations with each other longer than America has had such relations with any other country. Our relations began in 1801 and they have never been severed by war or for any other reason.

In your American travels you will meet millions of Danish ancestry. We are extremely proud of the contributions to our progress by those who have your cultural heritage and the moral and spiritual values that are important to both of our peoples.

The traditional ties between Denmark and the United States are reinforced by a common dedication to the freedom and the dignity of the individual and to the economic and social progress which is important to us all. It is these shared commitments that make us not only close friends but steadfast allies in the North Atlantic Treaty Organization.

In these shared commitments we, of course, feel that the rich culture is a vitally important part. And Denmark has given, not only to NATO but to Western Europe, much to humanity. Committed to the objective of peace among nations, the Danes have made that goal a reality by serving in the United States

(Nations) peacekeeping activities and efforts in the Middle East, the Congo, as well as Cyprus.

As a member of the European Community, Denmark enhances contacts between the Community and the United States. The United States does attach a very great importance to our relationship with Denmark, and I note that these relations are excellent at the present time, and I am confident that those relations will continue. We will understand each other's views on various international problems, on peace, security, and economic progress.

As President, I welcome the outstanding contributions which the Danish Government, the Danish Bicentennial Committee, and the Danish people are making to the observance of our 200th anniversary. In addition to the visit of Your Majesty and His Royal Highness, Danish programs for the Bicentennial encompass a very broad range of activities in the field of music, art, education, and history. They include the tours by the Royal Danish Ballet and the Copenhagen Boys' Choir, exhibits, presentations of books and musical anthologies to various American universities and conservatories, and very generous gifts to the Kennedy Center and the Government of the Virgin Islands. All of us are very deeply grateful for this thoughtfulness and this generosity.

Denmark perhaps is the only other country which for years has celebrated July 4. A Danish society has met on July 4 for many, many years to reaffirm the very friendly ties between Denmark and the United States.

Your Majesty, Your Royal Highness, once again we bid you a sincere and very hearty welcome.

Ladies and gentlemen, I ask you to join me in a toast to Her Majesty and to His Royal Highness. May the friendship between Denmark and the United States continue to grow and may our two nations move toward one another on common objectives of peace, progress, and liberty for all peoples.

NOTE: The President spoke at 2:35 p.m. in the State Dining Room at the White House. Queen Margrethe responded as follows:

Mr. President, the Prince and I wish to thank you, Mr. President, for your very kind words of welcome and for the warm and generous reception which you and Mrs. Ford have given us at the White House.

Coming to Washington for the first time as I do, I am at once attracted by the beautiful white buildings in their peaceful setting of green lawns and flowering trees. And it is a striking feature of Washington that the seat of power of so vast a country as the United States, the White House, is not only the center of administration but also a charming home.

Though my husband and I have both visited the United States before, we have never been here together, and this is yet another reason why we have looked forward to this visit and to meeting you and Mrs. Ford. This year is the Bicentennial of the United States and we are happy to contribute our congratulations on this great occasion on behalf of the people of Denmark.

The United States, or America, as we often say in Denmark, occupies a very special place in the imagination of my countrymen. This is vividly illustrated by a children's story in verse, which first appeared in 1830 and has been read to this very day. It tells the story of a small disenchanted boy who has received bad grades at school, a scolding from his mother for having torn his trousers, and

whose girlfriend has let him down. [*Laughter*] So, he decides to run away to America because America, as he explains: "There the horse has silver shoes I'm told, the carriage has wheels to match; the streets and roads are paved with gold, you may bend and keep what you catch. Chocolates and sweets from the bushes drop, and the trees have candy flowers, it rains and snows with lemon pop and hail is peppermint showers." [*Laughter*]

This may be rather a fanciful picture of the United States—[*laughter*—]but I fully agree with the boy when he goes on to say: "But once you've safely reached that land, you'll never regret the voyage."

Thousands of Danes will agree with these lines, for especially during the latter half of the 19th century many Danes were among the millions of people who settled in the United States, attracted by the opportunities of the New World and the challenge of shaping a living for themselves in a country where initiative and hard work were the great requirements and the prime virtues. That these Danes dared and succeeded is the pride of their old country.

During the turbulent times in Europe around the year 1800 Denmark was among the first countries to establish diplomatic relations with the United States. Thus, this year the United States and Denmark have maintained unbroken diplomatic relations for 175 years. I believe that we are justified in boasting a longer relationship with the United States than any other country. A fruitful background for that strong and intimate relationship which has been forged between our two governments and our peoples during more recent times and which is strengthened by bonds both cultural and commercial and by our common membership of worldwide alliances and organizations.

I can assure you, Mr. President, that Denmark has not forgotten and never will forget the decisive contribution of the United States one generation ago in the confrontation with the forces that were about to destroy our democracy and our right to live in a society based on liberty and justice. Nor shall we forget the generosity of the United States when it came to the tremendous task of reconstructing our economies in Western Europe.

The formation of the North Atlantic Treaty Organization in 1949 opened up an area for very close cooperation between Denmark and the United States based on our mutual security interests. The arrangement between our two countries with regard to Greenland is a specific expression of our common interest in the security field.

The alliance has given us the necessary background for attempts to establish a more secure and confident relationship between East and West. You have yourself, Mr. President, expressed your ideas about this relationship in your eloquent address at the Helsinki summit meeting last year. It is a major achievement of the alliance to which your contribution is so vital that it has been possible to maintain peace in Europe since the end of the Second World War.

In this long period of peace, new ideas for European cooperation have come up. In 1972 Denmark, the United Kingdom, and the Irish Republic decided to join the Community, and Denmark, together with our eight fellow members, is now striving to develop this Community which vitally affects all aspects of life in our society.

In Denmark, we are convinced that the construction of Europe is of importance not only to the members of the European Community, and that the traditional close relations between the United States and Europe will continue and develop further as part of a greater pattern involving all countries of the world. This is but one of the ways of practical international cooperation, and one of the ways in which the interdependence of all countries may be realized and greater stability and peace achieved.

In former times people went to America to settle and only came back on brief visits if at all, so that what we knew about the American way of life was sketchy and often inaccurate. In more recent times, however, more and more young people have been to the United States to study and have brought back new ideas and fresh knowledge which they have put to good use and which has been instrumental in rebuilding Europe since the war.

It would be difficult to imagine where Danish science, business, and industry would be today, were it not for the contribution of that generation of young people who received a large part of their training in the United States.

I hope and believe that the warm friendship between our two countries will endure and that this Bicentennial Year will be yet another link in the long chain of years through which the good relationship between Denmark and the United States has existed.

The Prince joins me when I raise my glass in honor of the President of the United States of America and Mrs. Ford, for the friendship between our two countries, and for the prosperity and happiness of the people of the United States.

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Statement Announcing Plans for the Construction of Replacement Veterans Administration Hospitals. *May 11, 1976*

WE OWE our veterans the finest in the way of medical care. One of my first acts as President was to consider the Quality of Care Survey which made recommendations for improvement in the Veterans Administration medical care systems, and I am pleased that in the last 2 years we have been able to implement those recommendations. I have asked in my last two budget submissions for approximately 9,000 new staff positions for the medical care program of the Veterans Administration, and I have also asked for over \$600 million for needed repairs and construction to assure the safety and quality of VA facilities. My 1977 budget request of over \$4 billion for VA medical care activities was a record high for the system.

I have considered the recommendations of Administrator of Veterans Affairs, Richard Roudebush, on another important step in our effort to provide quality medical care to our veterans—the construction of eight major replacement hospitals throughout the country. The eight proposed facilities have been the subject of a series of planning studies conducted by independent contractors. These studies were undertaken in response to a congressional expression that hospitals be built and were subsequently reviewed by the Administrator who gave me his recommendations as to the relative priority to be assigned to the construction of each proposed new hospital.

I have today advised the Administrator of my decision to proceed immediately to provide design funds for all eight hospitals. I will also seek construction funds in fiscal year 1977 for the two projects assigned the highest priority by the Administrator—Richmond, Virginia, and Bay Pines, Florida. To implement this decision, I will shortly ask the Congress to provide an additional \$249 million above my previous budget request for VA construction.

I have also decided to seek construction funds for the other six replacement hospitals at the rate of two a year for the succeeding 3 fiscal years. These projects would be funded in accordance with the VA's priority ranking. In addition to Richmond and Bay Pines, the other locations are Martinsburg, West Virginia; Portland, Oregon; Seattle, Washington; Little Rock, Arkansas; Baltimore, Maryland; and Camden, New Jersey.

My actions today do not include decisions on construction details and the

number of beds at each facility. These decisions will be made after further review and analysis.

Over 1 million people are served annually by Veterans Administration hospitals, nursing homes, and domiciliary facilities. They deserve to continue to receive care of the highest quality and the latest in medical research. This requires adequate hospital facilities. The actions I am announcing today reflect my commitment that the Nation's veterans be assured of the finest in quality medical care.

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Statement on Signing the Federal Election Campaign Act Amendments of 1976. May 11, 1976

AFTER extensive consultation and review, I have decided that the Federal Campaign Act Amendments of 1976 warrant my signature.

I am therefore signing those amendments into law this afternoon. I will also be submitting to the Senate for its advice and consent the nominations of six persons to serve as members of the reconstituted Commission.

Shortly after the Supreme Court ruled on January 30 that the Federal Election Commission was invalid as then constituted, I made it clear that I favored a simple reconstitution of the Commission because efforts to amend and reform the law could cause massive confusion in election campaigns that had already started.

The Congress, however, was unwilling to accept my straightforward proposal and instead became bogged down in a controversy that has now extended for more than 3 months.

In the process, efforts were made to add several provisions to the law which I thought were thoroughly objectionable. These suggested provisions would have further tipped the balance of political power to a single party and to a single element within that party. I could not accept those provisions under any circumstances and I so communicated my views to various Members of the Congress.

Since that time, to my gratification, those features of the bill have been modified so as to avoid in large measure the objections I had raised.

Weighing the merits of this legislation, I have found that the amendments as now drafted command widespread, bipartisan support in both Houses of

Congress and by the chairpersons of both the Republican National Committee and the Democratic National Committee.

I still have serious reservations about certain aspects of the present amendments. For one thing, the bill as presently written will require that the Commission take additional time to consider the effects which the present amendments will have on its previously issued opinions and regulations.

A more fundamental concern is that these amendments jeopardize the independence of the Federal Election Commission by permitting either House of Congress to veto regulations which the Commission, as an executive agency, issues. This provision not only circumvents the original intent of campaign reform but, in my opinion, violates the Constitution. I have therefore directed the Attorney General to challenge the constitutionality of this provision at the earliest possible opportunity.

Recognizing these weaknesses in the bill, I have nevertheless concluded that it is in the best interest of the Nation that I sign this legislation. Considerable effort has been expended by members of both parties to make this bill as fair and balanced as possible. Moreover, further delay would undermine the fair and proper conduct of elections this year for seats in the U.S. Senate, the House of Representatives, and for the Presidency.

Effective regulation of campaign practices depends upon the existence of a Commission with valid rulemaking and enforcement powers. It is critical that we maintain the integrity of our election process for all Federal offices so that all candidates and their respective supporters and contributors are bound by enforceable laws and regulations which are designed to control questionable and unfair campaign practices.

I look to the Commission, as soon as it is reappointed, to do an effective job of administering the campaign laws equitably but forcefully, and in a manner that minimizes the confusion which is caused by the added complexity of the present amendments. In this regard, the Commission will be aided by a newly provided civil enforcement mechanism sufficiently flexible to facilitate voluntary compliance through conciliation agreements and, where necessary, penalize noncompliance through means of civil fines.

In addition, the new legislation refines the provisions intended to control the size of contributions from a single source by avoiding proliferation of political action committees which are under common control. Also, this law strengthens provisions for reporting money spent on campaigns by requiring disclosure of previously unreported costs of partisan communications which are intended to affect the outcome of Federal elections.

Following the 1976 elections, I will submit to the Congress legislation that will correct problems created by the present laws and make additional needed reforms in the election process.

NOTE: As enacted, the bill (S. 3065), approved May 11, 1976, is Public Law 94-283 (90 Stat. 475).

458

Statement on Signing the Consumer Product Safety Commission Improvements Act of 1976. May 12, 1976

THE CONSUMER Product Safety Commission was established in 1974 to protect consumers from unreasonable risk of injury from the use of hazardous products. Today, I have signed S. 644, a bill which will enable the Commission to more effectively carry out this important mandate.

The Consumer Product Safety Commission Improvements Act of 1976 expands the Commission's authority by permitting the issuance of preliminary injunctions to prohibit distribution of products which present a substantial hazard and by establishing new procedures and timetables within which consumer safety standards must be promulgated.

Further, the act authorizes Federal preemption of State product safety laws in certain enumerated circumstances. This will not only guarantee that consumers have adequate protection but will free industry from the costly burden of attempting to comply with a bewildering patchwork of State and local safety standards.

If consumer product regulation is to have real meaning, adequate tools must be provided the Commission responsible for protecting the American consumer. The act I have signed provides such tools.

NOTE: As enacted, S. 644, approved May 11, 1976, is Public Law 94-284 (90 Stat. 503).

459

Message to the Congress Transmitting a Report on Defense-Related Programs of the Energy Research and Development Administration. May 12, 1976

To the Congress of the United States:

In response to the requirements of Section 307(b) of the Energy Reorganization Act of 1974, I am pleased to transmit a comprehensive report concern-

ing the desirability and feasibility of transferring ERDA's defense-related programs to the Department of Defense or other federal agencies. The recommendations of the Secretary of Defense and the Administrator of the Energy Research and Development Administration are also included with the report.

I agree with the judgments of the Administrator and the Secretary and support their recommendations that ERDA retain its current responsibilities for funding and management of the defense-related programs. I have noted the recommendations with respect to the establishment of separate budget planning ceilings for ERDA energy and defense-related activities. I will consider these recommendations in developing my future budgets.

I agree with the recommendations of the Administrator and the Secretary that the Department of Defense should revise its nuclear weapons budget and cost reporting submissions to Congress to specify separately the ERDA costs associated with each new nuclear weapon or nuclear weapons system.

This segregation of costs will make clear to the Congress and to the public the total requirements for national defense purposes. I also agree that it is desirable to review the funding and management arrangements for the ERDA defense-related programs after two or three years of experience to see whether additional changes should be considered.

GERALD R. FORD

The White House,
May 12, 1976.

NOTE: The report is entitled "Funding and Management Alternatives for ERDA Military Application and Restricted Data Function—January 1976" (105

pp., together with an executive summary and appendixes A–I; A, B, C, classified).

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Exchange With Reporters on Arrival at Detroit, Michigan. *May 12, 1976*

LET ME make a statement or two, and then I'll take several questions. First, I wish to thank Pete and Ranny and Bill McLaughlin. I also wish to thank Bob Griffin and the Republican delegation.

I have spent most of my life in the great State of Michigan. I got my education here. I got started in politics here. The State of Michigan has been very, very good to me, and during the 21 months that I have been the President of the United States, I have sought to justify their faith in what they gave me

during my lifetime. So, as I look back over the last 21 months, I think we have good reason to be proud of the record of the Ford administration.

First, we've had peace, prosperity, and we have trust in the White House. As far as peace is concerned, we've achieved this, we're maintaining it and, I might add that no young person, no young man is faced with the draft or selective service. He has an option. And we're going to keep that strength. And we're going to keep the peace.

Secondly, about a year ago, if I had been here in the State of Michigan, there was a great deal of gloom and despair because of the worst economic conditions in the last 40 years. Because we had the right policies, because we were firm, we didn't panic, we are on a very, very surging boom. And all over this country, I find a restoration of confidence in the economic system that has been so good to so many Americans for the last 200 years.

Then, 21 months ago, there had been a great loss of confidence in the White House and the institutions, and the net result was—as I was saying, 21 months ago there had been a great loss of confidence in the White House. There were scandals. The net result is that when I became President we first had to restore public trust. I think we have done that.

So, I would summarize the situation right today: that we have peace and we have prosperity and we have trust. And that's a good program, and that's the kind of a program the people of Michigan and, I think, the people throughout the United States will support not only in Kansas City, but also in November.

I'll be glad to take several questions.

REPORTER. Mr. President, do you think that you have a very good chance of winning in Michigan?

THE PRESIDENT. You bet I do.

Q. Mr. President, what do you hope to do about a possible crossover vote in the State by Wallace Democrats to Mr. Reagan?

THE PRESIDENT. I want every person in the State of Michigan who identifies with my political philosophy, who believes in the program that I have outlined of peace, prosperity, and trust, to vote for me. I want every person who is registered in this State who can feel confidence in what we have done to vote for me, whether they call themselves Republicans, Independents, or Democrats.

Q. Mr. President, are you planning any changes in your campaign strategy?

THE PRESIDENT. Not at all. We run a good, tight ship. And we believe that the program we have is a good one.

Let me refresh your memory a bit. I, early on, made the decision that I

was going to enter every one of the primaries—some 30. I recognized at that time we would maybe lose a few, but I felt it was my responsibility to go to the American people, the length and breadth of this country. I have, or I will.

Now, in January or February of this year, there were a good many people who were saying that Jerry Ford would lose a couple of primaries and the whole ballgame would be over some time in February or March. Well, that didn't happen.

We knew that in the month of May there would be some disappointments—there have been—but we decided early that we were going to enter every primary. We were going to win enough delegates to go to Kansas City and win there, and that will be the outcome.

Q. Thank you very much.

THE PRESIDENT. Thank you all very, very much.

NOTE: The exchange began at 11:40 a.m. at Detroit-Wayne County Metropolitan Airport.

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Remarks and a Question-and-Answer Session With Members of the Economic Club of Detroit. May 12, 1976

Thank you very much, Governor Bill Milliken, and especially thank you for that very kind and very generous introduction, as well as your endorsement, and to you, Ray MacDonald and Russ Swaney, distinguished members of the Michigan congressional delegation, Bob Griffin, Congressman Al Cederberg, your own Congressman Bill Broomfield, Congressman Marv Esch, Bill Seidman from my staff—many of you know him—and, of course, Bishop Coleman McGehee—he was not only the pastor of the Ford family in Alexandria, Virginia, for a number of years but he baptized two of our children. So, so far they have done all right, Coleman:

If my memory is correct, this is my 10th trip home to Michigan since I became President, and my 4th to the Detroit area. Obviously, I am deeply grateful for your very warm welcome.

It is especially gratifying to have the opportunity to participate again in this distinguished forum with so many of my old friends. I know from our previous meeting of the breadth of interest and wealth of ability that is represented here on this occasion. I know you want in-depth understanding of various points of view of the complex issues affecting this great metropolitan area, our State, and our country.

I know you share my concern for America's security, our commerce, our responsible role in the leadership of the free world. I know, too, that you are doers, the kind of people who pay more attention to how somebody does his job than how deftly he criticizes his competitors, who value performance over glowing prospectus. So, at the risk of some immodesty, I am going to talk a little about the job that I have been doing for almost 2 years.

I want to answer as many of your questions as I possibly can but first, let me answer a very pointed but very proper question I have often asked myself: "Jerry Ford, why are you asking your fellow Americans and your fellow Michiganders to let you go on being President for the next 4 years?"

My answer is very simple: Because I have done a good job, and I am proud of it. Because I have turned a lot of bad things around, and we are going in the right direction. Because I want a mandate from Michigan and the American people to finish that job. You know, much as I like to see new car sales going up, I just don't think this is the time to trade in your reliable Ford for a flashier model.

That's why I'm heading into the second quarter of a campaign which will determine the direction our country will take in the next 4 years and, actually, for the future. I want to talk about that future, America's economic future, in particular. But before looking ahead, consider for a moment where we were in the very first few weeks and months of my Presidency. Then, as you will recall, some well-known economists, labor, and political leaders were predicting that we were heading into a deep depression, that unemployment would soon exceed 10 percent, that only massive action by the Federal Government could avert calamity.

Inflation had soared to an annual rate of over 12 percent. Interest rates had climbed steadily upward. And, most importantly, far too many Americans were laid off and could not find new jobs. Just about a year ago we hit the bottom of our worst recession in 40 years. Many in Congress and elsewhere were urging that we push the panic button. In the Congress, the economic downturn set off a clamor for huge emergency Federal subsidies, for more and bigger government programs and higher deficit government spending.

But the prophets of doom were wrong, and I knew they were wrong. We did not panic. We resisted big spending schemes that would have caused larger Federal deficits and even more destructive inflation. We rejected the disproven techniques of the old politics; instead, we pursued a calm, steady policy to ensure America's economic health not for a month or for 6 weeks or 6 months, but for the long, long pull.

We had faith that the American system of private enterprise would regain its strength and, as a result, we meet today not in the gloom of a depression or a recession but in the full surge of economic recovery. Everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. Our great free enterprise economic system is working, and let's take a quick look at some of the indicators.

The gross national product rose during the first quarter of this year at an annual rate of $7\frac{1}{2}$ percent. Total industrial production for March of this year was 9.9 percent in real terms over the same month of 1975. The index of consumer confidence is double what it was a year ago. Consumer prices during the first quarter increased at the slowest rate in $3\frac{1}{2}$ years. During 1974, the annual rate of inflation stood at 12 percent. We have cut that by well over 50 percent. During the first 3 months of 1976, the annual inflation rate has been not 12 percent, not 6 percent, but under 3 percent, and that is progress by any score.

Total employment has increased by 3,300,000 since the recession low of last year and now stands at an alltime high of 87,400,000, an increase of some 710,000 jobs in the past month alone.

Unemployment is still far too high, particularly here in Michigan, but the most recent State unemployment insurance figures show that unemployment in Michigan now is dropping faster than it is in the rest of the Nation. Nationally, the unemployment rate now is down to $7\frac{1}{2}$ percent and unemployment among heads of households, male and female, is down to 5 percent. That is not good enough, but we are moving dramatically in the right direction.

And finally, as you know, domestic automobile production is up by 51 percent over the comparable period of last year, 1 million more cars. Sales are up and Americans are buying more American-made cars again. That means more American jobs, and that's good news for Michigan and the whole economy.

Our economic recovery was no accident. It just didn't happen. You made it happen and the sound policies of my administration made it happen. From the very beginning, I forced the Congress to abandon or to severely cut back reckless Federal spending programs. One of my most important weapons is the veto. I vetoed 49 bills sent to me by the Congress, and 42 of those vetoes have been sustained, saving the American taxpayer \$13 billion.

This was done with the great help of Senator Bob Griffin and his Republican and some Democratic colleagues in the House as well as in the Senate. That saving of \$13 billion averages out to almost \$200 for every household which my vetoes have saved, and there are plenty more of those vetoes where those 40-some have come from.

Here is a legitimate question: Where would the country be today if we had had a President in the last 21 months who had signed all of those bills into law? We would be in dire trouble. We are now engaged in a great national debate between our two great political parties and within them over the role of the government in the lives of individuals, how much government can or should do for the people, and how best to go about it.

The Federal Government can create the economic climate and the incentives to ensure continued recovery through changes in tax policy and other programs which encourage the creation of productive, permanent jobs in private industry, and that's what I have done. Or the Congress, on the other hand, can vote more and more money for the Federal Government to create jobs itself. This is what the opposition proposes. Make-work programs are a well-known throw-back to the Great Depression and, if adopted, they would substantially add to our Federal deficit and increase the inflationary load that each and every one of us must bear.

The best place to examine the issue and to see the differences is in the two Federal budgets for fiscal year 1977; one proposed by the President and the other proposed by the Congress. This year, for the very first time, there is not one Federal budget recommendation but two—mine as President and the congressional budget to be adopted by the House and the Senate within the next few days. The differences in the two budgets tell a very vivid and dramatic story. They, the Congress, want to spend \$413 billion in the next 12 months, in the next fiscal year. I propose \$395 billion, saving \$18 billion in unneeded Federal expenditures. Their budget, the congressional budget, being voted on in the House today, authorizes \$454,200 million in new long term spending. Mine would hold this commitment to \$431 billion, saving some \$23 billion.

Simply stated, my goal is the full restoration of the United States economy as the world's most reliable engine for producing an ever-increasing standard of living and an economic climate in which every American who wants a job, who wants to work, can find a good job.

But putting America back to work is not a job for the President alone or as a matter of fact for the Congress alone, though sometimes some Senators and some Congressmen seem to think they can abolish unemployment by passing new laws such as the deceptive, and I think dangerous, Humphrey-Hawkins bill now pending in the Congress.

This bill is a classic example of the way the misguided majority in recent Congresses has tried to apply discredited remedies to our economy. The Humphrey-Hawkins boondoggle would decree that unemployment must be no

higher than 3 percent by the end of 4 years. If not enough private jobs are available, the Federal Government will make work. How much all of this would cost, how long such public payroll jobs would continue, what the added inflationary impact would be really defies any rational calculation. Never mind, the law would get the Federal Government deeper and deeper into economic planning on a national scale unprecedented in America's history.

I'm obviously against the Humphrey-Hawkins bill and all of the other schemes to give Washington more and more control over your lives. Instead, as an alternative that I think makes a lot more sense, I have proposed tax reductions and other tax reforms to create more and better jobs in private industry.

Some were enacted last year and are obviously working, but others, such as tax incentives to stimulate investment in new plants and equipment, are stalled in the Congress and should be acted upon quickly to help the job situation in hard-hit areas, such as we have here in the great State of Michigan.

I have also recommended to Congress that starting July 1 of this year, we get an additional \$10 billion tax cut, 75 percent of it going to individuals and 25 percent of it going to business to provide employment. As part of this tax reform package, I have proposed the personal exemption be raised from \$750 to \$1,000 for each individual Federal taxpayer. In addition, I want the estate tax exemption increased from \$60,000 to \$150,000 so small business owners and small farmers can have the opportunity again to pass their businesses or their farms along to the next generation. Such proposals, as we have analyzed it, will give middle-income taxpayers, who have been shortchanged in recent years, the kind of tax relief they both need and obviously deserve.

As we work to ensure prosperity, it is essential to remember that the American people want and demand the finest Army, Navy, Air Force, and Marines that money can buy and they don't want our unsurpassed power for peace to become a political football this year. In providing funds for new military weapons and national security needs, an area of the Federal budget that Congresses have systematically gutted by some \$50 billion over the past decade, I am happy to report that the preliminary congressional figures are roughly the same as the record \$114 billion defense budget that I submitted to the Congress in January of this year.

In this area at least, Congress seems to be getting the message, probably because I threatened to veto any defense appropriation bill that was inadequate because of congressional reductions. In fact, if progress in some areas has been slower than it should have been since I became President, those who are critical

should focus on the right target, some of the Members of the House as well as the Senate.

When I say Congress, I mean of course the controlling majority of the Congress, not the responsible minority which includes members of both political parties who have stood with me for the principles of national security and deficit restraint. It is not Washington that is the problem, but the wrong people in Washington who are the problem.

The majority of the present Congress are the problem in the economic field. By their own budget decisions, they have said that they want to spend \$18 billion more next year than I have recommended. They have said that the American people cannot have instead the additional \$10 billion tax cut that I want to give them on July 1. This congressional majority has decided that they know much better how taxpayers' money, that they have earned, should be spent to help the economy than the people who earned it. They, this majority in the Congress, are the problem. I have been trying to hold them back but the American people in this election will have an opportunity to help.

The same congressional majority for almost a decade before I became President have been hacking away each year at the defense budget to pay for their favorite social programs. They went on cutting another \$7 billion from the first defense budget that I submitted. Fortunately, it looks like we have turned them around, but, nevertheless, they are the problem. We're converting them, but the American people in this election will again have to help.

Frankly, that is why I am in this race, why I want a mandate from the American people in 1976, why I want to be your President for the next 4 years. I seek election to the Presidency not for myself, but as the only way to ensure the continuity of realistic, responsible policies that are right for America and, what is more, are being proven right every passing day.

I want to maintain the peace that we now enjoy, advance the prospects for peace among all nations, secure that peace through strength and perseverance, and make certain that legacy of peace continues for our children and our grandchildren.

I want to continue the policies of reliance on the private economy, reduction of taxes, cutting back bureaucracy and useless regulation, and budgetary and spending restraint that have brought us up from the depths of recession to a sustained recovery, and to make certain that runaway inflation never again robs us or our loved ones of the rewards of honest work and lifetime savings.

Finally, I want to finish the most important job that I have begun—the resto-

ration of faith and trust in the Presidency itself. As I did not seek this office, neither shall I shirk it.

I have always believed that truth is the glue that holds government together. I will tell the truth to the American people as I see it—promising no more than I can deliver and delivering everything that I promise.

The executive branch of the Federal Government will be as honest, as open, and as candid as I can make it, and so will my campaign for the high office that I have the honor to hold. I run for President as I ran successfully 13 times in Michigan on my record of performance—peace, prosperity, and trust are my record of performance in the nearly 2 years since I became President. The reason I am in this race to stay is to ensure peace, prosperity, and trust for the future.

The future really doesn't belong to us, it belongs to those who come after us. As we look back over 200 years as a nation, there is one thread that runs all the way through our history. We Americans come from many lands, many races, and many religions. Our ancestors came here, or we came here to find freedom and justice, to escape oppression, to make new lives. What do we all have in common? We know this—life will be better for our children than it was for us. Why do we know this? Because life for us has been better than it was for our parents. That has been true for every generation of Americans, and it will continue to be true as long as we make it true.

I see an America once again tested in adversity—more sure of what we want to be and what we want our Nation to be or to become. I see an America certain, once again, that life will be better for our children than it was for us, and our children are also certain that their heads and hands and hearts can help make it so.

I see a strong and confident America, secure in a strength that cannot alone be counted in megatons and rejoicing in riches that cannot be eroded by inflation or taxation.

I see an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, and where the government serves and the people rule.

Thank you very, very much.

Bill.

QUESTIONS

INCREASED ENERGY SUPPLIES

GOVERNOR MILLIKEN. Thank you very much, Mr. President.

I have a series of questions which have been addressed to you by members of the Economic Club, and I will start reading those questions immediately.

The first one is, how can we best increase our supply of energy to lessen our dependence on foreign oil?

THE PRESIDENT. In the first place, we have to free the energy-producing portions of our economy from the kind of regulation and control that has been imposed on it for a number of years.

In January, a year ago, I recommended the deregulation of all new natural gas. Unfortunately, the Congress has not done that although the Senate did pass an acceptable bill. We have to deregulate the exploration and development of crude oil in this country. We have on the statute books a law that will permit us to deregulate that industry domestically over a period of 40 months. It was not the legislation I wanted, but it is the best we could get.

We have to make some realistic appraisals and adjustments in how we use our coal more effectively and more efficiently. We have 300 years—they tell me—supply of coal. We've got to increase it from 600 million tons to 1,200 million tons by 1985. We have to spend research and development money on solar energy, on geothermal energy, and some of the other exotic fuels. And I am glad to report to you that in these areas of research and development in the budget that I submitted for the next fiscal year, we increased the R & D money by over 35 percent.

So, we have to have a broad approach because every passing day our dependence on foreign oil becomes more acute. In 1973, it was 31 or 32 percent. Today, 40 percent of the oil we use in this country comes from foreign sources, and it is going to get worse unless we do something along the lines that I have recommended.

RUBBER WORKERS STRIKE

GOVERNOR MILLIKEN. Here is a question, I think, of particular interest to us in Michigan.

Will you invoke Taft-Hartley if the rubber strike shuts down one or more auto manufacturers for 1 week?

THE PRESIDENT. The Taft-Hartley Act I support and, I might say parenthetically, I am completely opposed to the repeal of section 14(b), but Taft-Hartley is a legislative tool that is available. I do not think that at this stage the President of the United States should commit himself to what we might do if something happens.

The rubber strike which has now gone on for what—3 weeks—they tell me there is roughly 3 weeks more, or thereabouts, of tires available for the

American automobile plants. I can assure you that the Department of Labor, the Federal Mediation Service, are working on the problem, but a comment saying yes in this situation, I think, would be more harmful than helpful in the negotiations that are going on at the present time.

POSSIBLE DEMOCRATIC PRESIDENTIAL NOMINEE

GOVERNOR MILLIKEN. Who, in your opinion, will be the Democratic nominee for the Presidency?

THE PRESIDENT. Well, better than a year ago I started campaigning for Hubert. But I became less and less confident of my competence as Jimmy Carter sort of swept the field.

But what I understand developed in Nebraska yesterday, in Jimmy's case, we might have a whole new ballgame. So, depending on what happens in Maryland, where I am told by my Democratic friends Governor Brown might win and Carter lose, they could end up, as I suspected they might, with a brokered convention and Hubert, under those circumstances, I think, would emerge.

He is a good friend of mine. We have totally different ideologies, as far as domestic matters are concerned, but a Ford-Humphrey contest would be a very healthy one for this country.

REPUBLICAN VICE-PRESIDENTIAL RUNNING MATE

GOVERNOR MILLIKEN. There are three questions, and I will quickly run through them because they relate to the same subject.

What specific attributes will you look for in selecting a Vice President? Do you look favorably on Senator Brooke as a Vice-Presidential possibility? Would you consider having a woman as a running mate should you win the nomination? You can see some sentiment being expressed out there.

THE PRESIDENT. Governor, Bill, the two names that have—well, the one name that has been mentioned, Senator Brooke, along with John Connally, Howard Baker, Bill Brock, a number of Republican Governors—they are all people of great competence and potential strength to build a ticket. I think it is very premature for me to indicate that I would lean this way or lean that way. There is plenty of time left between now and mid-August, and I think we're just fortunate that we have people like those that I have mentioned.

Since the last question indicated would I be receptive to a woman on the ticket, I've been asked that question before and I have said that someone like the Secretary of HUD, Housing and Urban Development, Carla Hills, certainly

on the basis of brains and ability and experience would be one that ought to be considered. But I don't want to tilt one way or another at this point. We've got our own problems we better solve first. [*Laughter*]

GOVERNOR MILLIKEN. Mr. President, Russ advises me that this is the last question. Two questions. [*Laughter*] We know who's in charge here, that's right. [*Laughter*]

THE PRESIDENT. Can't I be the good guy for a change?

GOVERNOR MILLIKEN. There will be two more questions, Russ.

MIDDLE EAST POLICY

Will you please briefly define your Middle East policy?

THE PRESIDENT. The Middle East policy is aimed at following the U.N. Resolutions 242 and 338 which were agreed to by, I think, almost a unanimous vote in the United Nations a few years ago. Those two resolutions are the guidelines for the settlement of a long and controversial problem in the most volatile area of the world. It means that we have to have a permanent peace, we have to have readjustments in territory, we have to have the disavowal of military action.

It will follow, of course, the two successive steps that this government, our government, has been involved in—first, the settlement of the Yom Kippur war and then the very major step of a few months ago when we were able to get an agreement between Egypt and Israel for the Sinai agreement. This was a very important step, but it is not the final answer. We have to follow the guidelines, as I indicated, of Resolutions 242 and 338 in the United Nations.

THE PRESIDENT'S PRIORITY FOR THE UNITED STATES

GOVERNOR MILLIKEN. And the final question, what do you consider your top priority for this country?

THE PRESIDENT. Let me put it this way: The first century of our country was devoted to the establishment of a viable, working government, a great experiment in self-government by people.

The second century of our country was a century of industrial progress where America became the most powerful industrial nation in the history of mankind. As we moved to the establishment of the kind of government that we have, that we love, and as we moved to become the most productive nation in the history of mankind, whether it is in industry or agriculture, almost inevitably we have found that we are the victims of mass government, mass industry, mass labor, mass education, maybe mass religion.

I think the third century of this country ought to be focused on the rights

of the individual, the individual in our next 100 years. And I would like to start the first four of it with emphasizing the rights of individuals, whether it is the right of the individual to participate to a greater degree in our economic system, the right of an individual to participate as an individual in education and religion professions.

It seems to me as I travel around the country and meet many people such as you, this is the yearning that people have. And if I could make a contribution in that way for the next 4 years, kicking off the next century, that would mean more to me than anything else.

Thank you very much.

NOTE: The President spoke at 4:10 p.m. in the Exhibition Hall at the Roma Hall. In his opening remarks, he referred to Ray MacDonald, chairman, and Russ Swaney, president, Economic Club of De-

troit, L. William Seidman, Assistant to the President for Economic Affairs, and Bishop Coleman McGehee of the Episcopal Church of Michigan.

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Remarks at a Public Rally in Birmingham, Michigan.

May 12, 1976

Thank you very, very much, Congressman Bill Broomfield, Governor Milliken, former Governor Romney, Senator Bob Griffin, distinguished Members of the House of Representatives, Mayor Staples but, more particularly, all of you wonderful people from the city of Birmingham and Oakland County:

Thank you very, very much. You don't know how nice it is to come back home on a beautiful day in May and to see so many wonderful people who are here because they want to hear a story about what we have done and what we're trying to do and what we intend to do in the next 4 years.

Let me just quickly refresh what we faced when, in August of 1974, I became President. This country had gone through some very serious economic times with inflation up to 12 to 14 percent. We were on the brink of a very serious economic recession, the worst in 40 years. We were on the precipice of unemployment going up and employment going down. But the facts are that what we did was to restore confidence. What we did was not push the panic button but to have faith in the American people that, if we kept our cool in Washington, this country would turn around and be what it is today—on the uphill, on the real movement toward the kind of prosperity that we must have and will have. And we did it because of you.

And then let me point out to you what we've done in that area. Employment

is up 3½ million more than last year. The last report showed that we had 87,400,000 people working in America—the highest figure in the history of the United States.

And instead of 12- or 14-percent inflation, we have cut it over 50 percent. For the first 3 months of 1976, it's less than 3 percent. So, let me quickly summarize it. Everything that should be going up is going up, and everything that should be going down is going down. America is on the verge of a boom, and that's what we want and that's what we worked for.

But let me quickly refresh your memory to what was the circumstance in August of 1974 as far as peace. Yes, after the trauma of 1973 and early '74, our allies abroad were worried about the will and the resolution of the American people. Our adversaries were uncertain as to whether we were going to be weak or strong, and whether they could or should exploit the situation here at home. But what the Ford administration did was first, to restore the faith of our allies in the strength of America and the resolution of 215 million Americans strong, deep believers in our form of government that is the best by any standards in the history of mankind.

And let me say this as we move ahead. There have been some individuals who have attempted to downgrade this country's capabilities in a military and diplomatic way. But what is the standard by which you judge the way we handle our foreign affairs and the way we handle our military capability? The objective of all of it is the achievement and the maintenance of peace. And we have peace today. And I am proud to say to every one of you, that I am the first President in 20 years who can go to the American people seeking election or reelection, who can say that America is at peace. The fact that we are at peace is because we are strong and because we are resolute. And we are going to stay that way by strengthening our relations with our allies and convincing our adversaries that America means what it says.

But let us turn now to the last fact that I think we ought to take a look at. In August of 1974, there had been a shocking series of scandals in the highest offices in our land, and the American people had lost a lot of confidence in their government. And the net result was we had to restore that confidence.

The Ford administration has been open, it has been candid, it has been forthright. And I can look every American in the eye and say that we have worked at the restoration of confidence and the strengthening of integrity in the White House. And I can be proud of the fact that as we travel around the country, people have faith in the path of integrity and honesty that this administration has tread for the last 21 months.

I have talked about the past, I have talked of where we are going, and the three main areas that it seems to me is how you should judge how you vote on next Tuesday—peace, prosperity, integrity or trust.

But what we have to do is to make sure that those policies are in our vision and will be our efforts for the next 4 years. I can assure you that with your support on next Tuesday and with your support in November, we can continue those high, strong resolutions that we have had of peace and prosperity and trust.

But why do we want to do it? And I think that's a good question with so many wonderful young people here this afternoon. It has been the tradition, it has been the heritage of America that we do things for those that follow. Our forefathers did it for us. They sacrificed and they made a better America for all of us. And those of you who can go to vote on next Tuesday, I think you ought to look at what you want for America for the next 4 years—not for yourself, necessarily, but for these young people whose stake in the world is what you can strengthen and the opportunity for them which you can strengthen.

I ask you on the basis of performance—the achievement and the maintenance of peace; prosperity; a progress out of a recession toward a healthy and prosperous economy; and the restoration of trust in your Presidency—I ask for your help and assistance, performance versus promises. And what we have done in 21 months we can do even better for you and yours in the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 5:30 p.m. at Shain Park.

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Remarks at a Public Rally in Roseville, Michigan.

May 12, 1976

Thank you very, very much, Governor Bill Milliken, Senator Bob Griffin, my former colleagues in the House of Representatives, distinguished guests, ladies and gentlemen:

Gee, it's great to be back home, and it's wonderful to be in Macomb County. They told me that it would be great to come back home and see a few friends, but from the minute we landed until here, the warmth of the reception and the enthusiasm is great. And let me tell you right now, I won't let you down for the next 4 years.

Now, in this campaign, we have heard a lot of rhetoric. We have had a lot

of criticism. We have had a lot of quick-fix answers. But let me tell you this: Jerry Ford calls them straight, and Jerry Ford isn't going to promise you anything that he can't produce and he will produce everything he promises.

Now, let me talk about three things—peace, prosperity, and trust.

As President of these United States, I am proud to be able to stand here and tell you that our country is at peace. We are at peace because we are strong, we are respected. And I can assure you that for the next 4 years, we are going to keep strong, we are going to keep at peace, and we are going to do it because we are respected.

But let me talk for a minute now about prosperity. Let's take just a minute to go back and find out what the circumstances were when I became President, 21 months ago. We were experiencing 12- to 14-percent inflation. Do you know what it was the first 3 months of 1976? Under 3 percent. That's a 75-percent cut.

Shortly after I became President, we started on this unfortunate bandwagon of a recession. But let me tell you, in the last 12 months, because we have had the right policies, because we didn't panic, because we did constructive things, we are making real headway towards prosperity on a permanent, solid basis. And give me 4 more years, and I will produce it for you.

Now I know the great State of Michigan, which I love, and the people that I really feel close to have had a tough time the last 12 months. But you have had great leadership in Governor Bill Milliken; you have had a good congressional delegation headed by Senator Bob Griffin. And then let me tell you, because of their help and cooperation, I have been able to do some things that kept us on the track from the depth of that recession to where we are going uphill and where we added 710,000 more jobs in this country in the last month and 3,300,000 more jobs in the last year. And we are going to get a lot more for Michigan in the months ahead.

But you know we have had a little trouble, or I have had, with some people down in Congress. When we started to go on this difficult economic situation, there were some people in Congress that said, "Spend a lot of taxpayers' money, add a lot of jobs to the Federal payroll, do all the things that might in the short run, but in the long run would be bad."

You know, they sent down 49 bills that I vetoed; 42 of those were sustained by Bob Griffin and some of the other people in the House of Representatives. We saved—listen to this now—we saved the taxpayers of this country, by those 42 vetoes which have been sustained, \$13 billion. And if the Congress sends any more of those big spending bills that will add just billions and billions and

billions to the deficit, increase the probability of inflation, this President will veto and veto and veto again and again and again.

One other thing. You know, with that \$13 billion that we saved by those vetoes over a period of 21 months, that saved the average family \$200. So, the Congress—the majority in the Congress, I should say—in my opinion, is finally learning a lesson, because they aren't going to roll over me in the next few months and they won't do it in the next 4 years, either.

But let me talk to you just a minute about trust. Let your mind go back to August of 1974. This country had gone through one terrible time. There was a loss of confidence in the Oval Office at the White House. There were scandals in the government. People had lost faith in this great country of ours and people in high places.

It wasn't easy to go in there after taking the oath of office, but I said at the outset, and if you will remember, I said we were going to be open, we were going to be straightforward, we were going to call them as we saw them, we were going to be candid and forthright. I have kept that pledge to you, and we'll keep that pledge for the next 4 years, just as well.

Now, as I look out through this audience and as I came in here from the outside, I saw some wonderful young people. And let me ask all of the parents here, what is our aim? What's our objective? What are we trying to do as we grow older and as we find our years slipping by? I know what I'm doing, and I think I can look at every parent right here and say to him, each and every one of us want to make a better world for our children and our grandchildren. That's what America is all about.

And when our forefathers came, or even when some of us in this audience might have come from foreign lands to the United States of America, the country of freedom and opportunity, the net result is that we have developed in America the greatest melting pot, the greatest mixture of people from all lands in the history of mankind.

There is an old saying, you know, that the beauty of Joseph's coat is its many colors. The strength of the character of America are the many people who come from many lands throughout this great world in which we live.

The ethnic heritage, the ethnic churches, the wonderful dedication that we have to our families and our churches and our clubs and our organizations, our schools, that tie to the things that we have been brought up to do and to love and to learn and to work at—and when you put it all in the pot and mix it up, we come from many backgrounds with many heritages. But that's what makes America the strong, powerful, kind, compassionate nation that we are, and

that's why 215 million people can live in peace, can disagree, but still have that real depth of affection and love for America.

And let me say, if you will give me 4 more years, I'll promise you to go from the problems we had in August to the heights that America has never seen in the past, because that's what I want, that's what you want for your kids and my kids, and we can do it. I'll do it with your help.

Thank you very, very much.

You know, there is one thing I forgot to ask you. I need your votes next Tuesday. How many are going to vote for Jerry Ford?

I see a Democrat for Ford, an Independent for Ford, and there are a couple of Republicans for Ford here. But let me say, this is a crusade and the chips are down for next Tuesday. I'm counting on you, and I won't let you down.

NOTE: The President spoke at 9 p.m. at Macomb Mall.

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Memorandum on the Cabinet Committee for Drug Law Enforcement. May 13, 1976

[Dated May 12, 1976. Released May 13, 1976]

Memorandum for the Secretary of the Treasury, the Attorney General, the Secretary of Transportation

Subject: Cabinet Committee for Drug Law Enforcement

Drug abuse, particularly narcotics addiction, has reached crisis proportions in the United States. Current estimates are that as much as half of all street crime is committed by drug addicts to support their expensive and debilitating habits. The cumulative effect of drug abuse has been to diminish the quality and vitality of our community life and to weaken the fabric of our nation. It is imperative, therefore, that Federal law enforcement efforts aimed at those who are responsible for distributing illicit drugs in our communities be as effective as possible.

In my recent message to the Congress on drug abuse,¹ I announced the establishment of a Cabinet Committee for Drug Law Enforcement, to have responsibility for oversight and coordination of all Federal drug law enforcement activities. You are hereby appointed members of the Cabinet Committee, along with such other members as I may appoint from time to time. The Attorney General shall serve as Chairman of the Cabinet Committee.

¹ See Item 368.

The Cabinet Committee shall be supported by a Working Group composed of personnel from each Federal department and agency having drug law enforcement responsibilities and the Office of Management and Budget. The Attorney General shall designate an Executive Director of the Cabinet Committee, who shall be Chairman of the Working Group.

The Cabinet Committee shall be responsible for the coordination of all policies and activities of the Federal government relating to domestic drug law enforcement. To the maximum extent permitted by law, Federal departments, agencies and offices shall cooperate with the Cabinet Committee in carrying out its responsibilities.

More specifically, the Cabinet Committee shall:

- (1) develop and implement the Federal strategy with respect to drug law enforcement;
- (2) assure proper coordination among Federal drug law enforcement programs, including the collection, analysis and dissemination of enforcement intelligence data;
- (3) assure that Federal enforcement resources are effectively utilized;
- (4) assure proper coordination between the investigative and prosecutorial arms of the government;
- (5) provide liaison between the Executive Branch and Congress, State and local governments and the public;
- (6) assure implementation of relevant recommendations contained in the Domestic Council's *White Paper on Drug Abuse*;
- (7) evaluate and make recommendations to improve Federal drug law enforcement programs; and
- (8) report progress to me on October 1, 1976, and periodically thereafter.

In addition to the above on-going responsibilities, the Chairman of the Cabinet Committee, shall work closely with the Secretary of Health, Education, and Welfare to develop plans for improving the coordination between law enforcement and drug abuse prevention, treatment and rehabilitation programs.

GERALD R. FORD

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Memorandum on the Cabinet Committee on Drug Abuse Prevention, Treatment, and Rehabilitation. May 13, 1976

[Dated May 12, 1976. Released May 13, 1976]

*Memorandum for the Secretary of Defense, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Administrator of Veterans' Affairs***SUBJECT: Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation**

The need to provide humane and effective drug abuse prevention, treatment and rehabilitation services, to balance our law enforcement efforts aimed at drug traffickers, has been clearly established. Given the magnitude of the drug abuse problem and its impact on the health and well-being of our nation, it is vitally important that the efforts of the various departments and agencies of the Federal government responsible for providing these services be integrated into an effective overall program.

In my recent message to the Congress on drug abuse,¹ I announced the establishment of a Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation, to have responsibility for oversight and coordination of all Federal activities in this area. You are hereby appointed members of the Cabinet Committee, along with such other members as I may appoint from time to time. The Secretary of Health, Education, and Welfare will serve as Chairman of the Cabinet Committee.

The Cabinet Committee shall be supported by a Working Group composed of personnel from each Federal department and agency having drug abuse prevention, treatment or rehabilitation responsibility and the Office of Management and Budget. The Secretary of Health, Education, and Welfare shall designate an Executive Director of the Cabinet Committee, who shall be Chairman of the Working Group.

The Cabinet Committee shall be responsible for the coordination of all policies of the Federal government relating to the drug abuse prevention, treatment and rehabilitation services, as well as related research activities. To the maximum extent permitted by law, Federal departments, agencies and offices shall cooperate with the Cabinet Committee in carrying out its responsibilities.

¹ See Item 368.

More specifically, the Cabinet Committee shall:

- (1) develop and implement the Federal strategy with respect to drug treatment, rehabilitation, prevention and research;
- (2) assure proper coordination among Federal drug treatment and rehabilitation programs, including the collection, analysis and dissemination of information;
- (3) assure that Federal prevention, treatment and rehabilitation resources are effectively utilized;
- (4) provide liaison between the Executive Branch and Congress, State and local governments and the public;
- (5) assure implementation of relevant recommendations contained in the Domestic Council's *White Paper on Drug Abuse*;
- (6) develop and monitor a plan for improving job opportunities for former addicts;
- (7) evaluate and make recommendations to improve Federal drug treatment and rehabilitation programs; and
- (8) report progress to me on October 1, 1976, and periodically thereafter.

In addition to the above on-going responsibilities, the Chairman of the Cabinet Committee, shall work closely with the Attorney General to develop plans for improving the coordination between law enforcement and drug abuse prevention, treatment and rehabilitation programs.

GERALD R. FORD

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Message to the Congress Transmitting Quarterly Report of the Council on Wage and Price Stability. May 13, 1976

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the sixth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the first quarter of 1976 in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies of collective bargaining negotiations for 1976, bakery and cereal products, automobiles, coal and the postal service, as well as its filings before various Federal regulatory agencies.

During the remainder of 1976, the Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD

The White House,
May 13, 1976.

NOTE: The report covering the period January through March 1976, is entitled "Quarterly Report: April 1976—Council on Wage and Price Stability,

Executive Office of the President, Washington, D.C., No. 6" (Government Printing Office, 47 pp.).

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Special Message to the Congress Reporting on Budget Deferrals. May 13, 1976

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report two new deferrals. One of the deferrals—in the Department of the Interior—postpones obligation of \$688,430 for design of a Bureau of Mines research center. The other deferral sets aside \$500,000 to begin accruing an American Revolution Bicentennial Administration scholarship escrow fund.

The details of the deferrals are contained in the attached reports.

GERALD R. FORD

The White House,
May 13, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of May 17, 1976 (41 FR 20383).

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Special Message to the Congress Transmitting Proposed Agenda for Government Reform Legislation. May 13, 1976

To the Congress of the United States:

Our American economic system has been built upon individual initiative and freedom to strive to achieve our economic goals. In an increasingly complex society, however, the role of government has been to assist in the search for

solutions to our National problems. But in many cases, government imposed solutions have created new problems and mandated excessive costs on our society. Over the years, we have departed from the reliance on individual initiative and consumer choice. We have expanded government's role and created a rigid system which has become less able to respond to changing conditions.

The growth of government expanded rapidly in the Depression era. New government agencies were created to resolve our economic and social problems—to help reduce unemployment, to stabilize financial markets, and to protect failing businesses. As a result of a proliferation of such government agencies since then—all designed to solve an increasing variety of problems—we have come to expect the Federal Government to have all the answers—more and better housing—an efficient transportation system—improved health care—and equal opportunities in the job market.

In our compassionate desire to solve urgent human problems, we have given the Federal Government the power to regulate more and more of our economy and our way of life. Over the years, regulation has been considered an inexpensive, easy answer to some very complex problems. Now, we are beginning to realize how high the costs are of what appeared to be the easy solutions of the past.

Federal programs and bureaucracies have grown geometrically. In the last fifteen years 236 departments, agencies, bureaus and commissions have been created while only 21 have been eliminated. Today we have more than a thousand different Federal programs, more than 80 regulatory agencies, and more than 100,000 government workers whose primary responsibility is to regulate some aspect of our lives.

My Administration has made the reform of government regulation one of its highest priorities. We have initiated a national debate on the role that government regulation should play in our economy. In the past year, we have achieved the most significant and comprehensive progress toward reform in three decades. At the same time we have moved toward a more open and vigorous free market in which consumers have available a wider range of goods and services to choose from and where businessmen have a greater opportunity to run their own businesses.

For example:

—We have reversed the trend to paperwork growth and reduced regulatory delays.

—We have repealed the Federal fair trade laws which created artificially high consumer prices.

—The Senate has passed the Financial Institutions Act which is the most sweeping reform of banking regulation in over 40 years.

—We have increased civil and criminal penalties for antitrust violations to insure that competition flourishes.

—We have interjected competition into the setting of stock brokerage fees for the first time since the major stock exchanges were established almost 200 years ago.

—We have reduced the amount of ICC regulation of railroads for the first time since the creation of that agency in 1887, and have proposed comprehensive and long overdue reforms of airline and motor carrier regulation.

These are important steps, but they are only a beginning. We need a better understanding of the combined effects of all government regulatory activities on our economy and our lives. We need to eliminate contradictions and overlaps. We need to abolish outdated and unnecessary regulation. We need to strengthen the effectiveness of Congressional oversight of government operations.

To meet these needs, I am today submitting the Agenda for Government Reform Act which would establish a four-year action program to work toward these goals. It would produce comprehensive reforms to:

- guarantee that government policies do not infringe unnecessarily on individual choice and initiative nor intervene needlessly in the market place.
- find better ways to achieve our social goals at minimal economic cost.
- insure that government policies and programs benefit the public interest rather than special interests.
- assure that regulatory policies are equitably enforced.

This legislation would require the President to develop legislative reform proposals by January 31 of each year, and Congress would be required to act upon them. Such a disciplined approach will help focus attention on major, yet often neglected, aspects of government activities. This Agenda will require the assessment of the cumulative impact of government actions on major sectors of the economy and build a rational basis for more informed trade-offs between broad economic goals, such as more jobs and lower prices, and specific regulatory objectives, such as cleaner air and adequate rural services. And it will help identify the hidden costs imposed on the economy by government regulation.

This legislation is the product of joint Congressional and Executive branch interest in seeking long term solutions to our regulatory problems. Senators Charles Percy and Robert Byrd have been leaders in pressing for comprehensive reforms. In the House of Representatives, Congresswoman Barbara Jordan and

Congressman John Anderson have also introduced systematic reform legislation. My legislation addresses similar concerns. I look forward to working with Congress to achieve our common goals.

Let me stress that this new program must *not* delay reform efforts now underway. This new legislation is a complement not a substitute for the on-going administrative improvements and legislative proposals I have already announced. My Administration will continue to press forward with reduction of unnecessary and burdensome regulation and elimination of government-imposed paperwork and red tape. We will continue to make administrative improvements wherever possible, and to obtain congressional action on proposals for increased competition in regulated industries.

This is an ambitious program. But I believe it is possible to make our regulatory system responsive to the concerns of all Americans. They demand and deserve nothing less. I ask the Congress to act quickly on this legislation so that together we may begin to create a legacy of economic prosperity for future generations.

GERALD R. FORD

The White House,

May 13, 1976.

NOTE: A section-by-section analysis and a copy of the draft bill were also included as part of the release.

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Remarks at the Annual Meeting of the American Retail Federation. *May 13, 1976*

THANK you very, very much, Mr. Secretary.

I was hesitant about interrupting and I am sure you all understand, but I did want to say hello to all of you again and indicate the pleasure and privilege that I had in meeting with your group some time in the middle of March when I met with a number of you, at least, in the White House.

I appreciate that you are giving the Secretary of Commerce an opportunity to discuss with you some of the major problems that we feel that you face and that we want to try and solve.

It is my understanding, Mr. Secretary, that there was a briefing held this morning with those that are filling you in on the new deregulation proposal

that we sent to the Congress an hour or so ago which, I believe, is a very far-reaching, and could be, if the Congress will respond, a very effective way of really getting an honest-to-goodness review in a thorough and an objective and a proper way of the manner in which some of these regulatory agencies and commissions have operated. It is my observation that some of them have been going on and on and on. Like an old friend of mine up on the Hill used to say, "Going on and on like Tennyson's brook." [*Laughter*]

So, I do hope that you will get an opportunity to get a very broad briefing, not only on regulatory reform but the other matters that are of deep concern to you.

I recall very vividly the discussion that we had concerning representation from your group on the Advisory Committee of Multilateral Trade Negotiations, and it was the thought that following our get-together that somebody from this organization itself should be with those that are advising our negotiators what they should or should not do.

It is my understanding that Mr. Stanley Goodman of your organization, the May Corporation, is the person that will be your representative. I have had the privilege and pleasure of knowing Mr. Goodman, and I think that his selection will benefit us, help our negotiators, and immeasurably be beneficial to your industry, and I congratulate you.

A final comment, if I may. The meeting that you attended in mid-March where we had an opportunity to sit down and talk is only indicative of the kind of meetings that we hold very frequently, very regularly in the White House. I was talking to Bill Baroody¹ a day or two ago, and I asked him for a summary of how many organizations, how many people actually of this kind had been able to sit down with the top people in the administration and the government and exchange views that might be very beneficial and very helpful on both sides. As I recall, Bill said that the number of organizations was around 100 and some 15,000 people had come into the White House, sat down, told us their problems, indicated their concerns, and made recommendations as to what might and should be done.

This, I think, is the way to approach the solution to the problems that we both have, and I welcome you back again some time I am sure during the next 4 years. [*Laughter*] It would not disappoint me if it was every year.

So, I thank you for the opportunity to say a few words, and I commend you to the wisdom and the experience and the fine job that Elliot Richardson has

¹ Assistant to the President for Public Liaison.

done. I think he is a great Cabinet member. I think you will find that he is an outstanding member of the team and an outstanding Secretary of Defense [Commerce].

Thank you very much.

NOTE: The President spoke at 1:30 p.m. in Columbia Room B at the Hyatt Regency Hotel.

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Remarks at the National Bicentennial Salute to Small Business. May 13, 1976

Thank you very, very much, Mitch, members of the National Advisory Council, honorees, distinguished guests, ladies and gentlemen:

Let me second what was said by Dr. Powell. Tom Kleppe was an outstanding head of SBA. That is why I selected him to the Cabinet position of Secretary of Interior. But let me say without hesitation, reservation, or qualification, Mitch Kobelinski is doing a super job, and we are proud of him. And I know you will find him an outstanding person to work with.

And may I specifically acknowledge and congratulate the honorees. It is a great tribute to what you have done. It is a great tribute to the small business aspects of our society, and I congratulate and commend each and every one of you.

Obviously, it is a great honor and privilege for me to have the opportunity to participate in this Bicentennial Salute to Small Business. George Washington once wrote, "Let your discourse with men of business be short and comprehensive." Like America, that advice is about 200 years old, but I think it is still pretty good in 1976.

In the earliest days of American history, small business men and women were among the first to revolt against the tyranny and the oppression of a faraway government. Seeking the freedom to control their own lives and economic destinies, hundreds and hundreds of merchants and shopkeepers as well as craftsmen helped wage and win the fight for America's independence. With that independence, small business has played a very major role in building America to the greatness in the two centuries that have followed.

You account for 97 percent of all nonfarm business in America, for nearly half the Nation's gross national product, and nearly three-fifths of all nonfarm private employment.

About 100 million Americans own, work on, or work for small business

throughout the Nation. And as I said in my Small Business Week proclamation [4429] earlier this year, small businesses are the cornerstone of the American economy.

To ensure that small business in America survives and thrives as it has in the past, I have proposed legislation to raise the estate tax exemption from \$60,000 to \$150,000, to stretch out the payments at low-interest rates over a 25-year period, and exempt from taxation the transfer of your businesses between husbands and wives.

I know that we can work together, you as well as myself, to convince the Congress of the absolute need and necessity of affirmative action on that proposal by me in 1976. Let's get the job done.

In addition, to obtain the capital that you need to grow and create the jobs in America, I have also proposed a retention of the \$50,000 corporate surtax exemption, a 2-percent reduction in the maximum corporate income tax rate, and a 33-percent increase in the Small Business Administrator's major loan guarantee program. As Mitch Kobelinski and others reported earlier this week, the administration on its own has developed, number one, a vigorous new small business export program; number two, a national secondary market program to tap new private sources of funds for small businesses, and a new partnership of government, small business, and education to do for small business what a similar partnership has done for agriculture in the last 100 years.

And if I might say so to all of you, I am deeply grateful for the hard work, the sacrifice, the courage, the ingenuity, and the economic strength that each and every one of you and all of you collectively have contributed to America. And this Bicentennial salute to the small business men and women of America is certainly well-deserved and highly appreciated by all America.

As we enter our third century, America is faced with a very fundamental choice of what kind of government and how much government we want. Like the patriots of 1776, we are concerned about the power of government, the power to tax, the power to spend, and the power to regulate. For the past 40 years, since the darkest days of the Great Depression, those powers have been significantly on the increase. When economic or social problems have arisen, more and more people have turned more and more habitually to government for quick solutions.

This growing reliance has, in turn, given the Federal Government more and more power to dictate how each of us must live and how each of us must work. In our haste to say the government ought to do something about that, we have allowed an enormous Federal bureaucracy to be established.

Since President Dwight D. Eisenhower left office, 236 departments, agencies, bureaus, commissions have been created and only 21 have been eliminated. We have more than 1,000 different Federal programs, more than 80 regulatory agencies, and more than 100,000 government workers whose primary responsibility is to tell other Americans what the Congress has said they can and cannot do.

But even with all of this control, or maybe in spite of it, government has more often proven to be clumsy and ineffective in meeting many of America's most serious problems. In fact, the rising cost and control of government has itself become one of America's most serious problems. And I have been working on the solution to that problem for a long, long time—first in the Congress, then as Vice President, and now as your President, and I hope and trust that we can continue this job and finish it or make a lot of progress in the next 4 years.

I think you know better than I that government costs have added to inflation and reduced the investment and purchasing power of businessmen as well as individuals. Government has developed an insatiable appetite for paper and redtape and it is choking the life out of free enterprise and individual initiative throughout the length and breadth of our country.

Government reporting requirements cost—I couldn't believe it—small businessmen in America \$18 billion a year with the teams of lawyers and accountants to help. Executives of large corporations may be able to cope with these reporting requirements. One oil company alone pays 475 people to work full-time in preparing and filing government reports. But small business executives—and this you know far better than I—must devote many working hours each day figuring out for themselves what each new government regulation may mean to their business. It is time you got back to working for your customers instead of the government. It is time the government minded its own business for a while and let you run yours. The simple fact is that government has grown too large, too powerful, too costly, too remote, and yet too deeply involved in the daily lives of the American people.

Today as a part of the Bicentennial Salute to Small Business, I am issuing a declaration of independence from the needless regulations of the Government, and I invite all of you to join me in a new struggle for freedom in America.

In fact, the struggle has already begun. In the past year we have achieved the most significant reform in Government regulations in three decades. At my urging, the Congress has passed several very important new laws which begin to reverse the trend of growing Government interference. We have opened up the competition in the securities market for the first time since the major stock

exchanges were established 200 years ago. We have reduced the Interstate Commerce Commission's regulation of railroads for the first time since the creation of that agency in 1887. We have increased civil and criminal penalties for antitrust violation to ensure that competition can flourish and that there is still freedom in the free enterprise system.

The Congress is now considering additional legislation that I proposed to reform regulations concerning airlines, the motor carrier industry, and financial institutions. In addition to these regulatory reforms, I have directed every agency of the Federal Government to reduce by at least 10 percent the number of reporting forms that it produces and requires of the American people. And I have set a deadline of July 1. I got a progress report a couple of days ago which said that deadline will be met. And I can assure you it will or there will be some people who might hear a word or two. [*Laughter*]

But I add that this is only the beginning of a project that is long overdue. I have also met with the heads of independent regulatory agencies and asked for their support in reducing unneeded and costly delays. The results are somewhat apparent. The Security [Securities] and Exchange Commission used to take about a year to hand down opinions. It is now down to about 45 days, and soon they tell me it will take 30 days. The Small Business Administration is launching a pilot program that will reduce the processing time for loan guarantees from a month or more to just 48 hours. Good luck, Mitch and Louis.¹ [*Laughter*] We will check up on you.

The Labor Department has reduced and simplified reporting requirements for small business pension funds saving the small businessman and the Government nearly \$1 billion in yearly costs.

A radio station in New Hampshire once paid \$26 in postage just to mail an application to the Federal Communications Commission. Now, that application has been reduced to one sheet of paper. That's progress despite the increase in postal rates. [*Laughter*]

And while it once took 6 to 8 weeks to get a license from the FCC to use a citizens band radio, today a temporary license may be obtained at the time of purchase. How do I know? I asked First Mama. [*Laughter*]

Last Friday, I created temporary Presidential task forces to simplify and streamline Government regulations beginning with the Federal Energy Administration and the Occupational Safety and Health Administration. The Congress has given these agencies a job to do but they can do that job without

¹ Louis R. Laun, Deputy Administrator of the Small Business Administration.

needlessly harassing the American businessmen, and I intend to see that they do just that.

If you have any suggestions on how to make these agencies work more effectively and more efficiently, the White House will certainly be more than welcome to receive your recommendations.

But all of us recognize that reducing paperwork and improving our regulatory practices really amount to only the treating of the symptoms of more fundamental problems. We need to stop just scratching the surface, stop dealing in piecemeal approaches, stop merely moving agencies around or renaming them and, for a change, stop long enough to listen to what American business and labor and consumers have to say about things.

What we need now is an agenda for action, a timetable for progress toward real reform. We cannot untangle 40 years worth of bureaucratic redtape overnight, but we can at least set the process in motion.

Because of the importance which I attach to the small business community and because you have sought these needed reforms so persistently and so vigorously, I am taking this occasion to announce that today I have sent to the Congress legislation which will force action on fundamental regulatory reform in each of the next 4 years. This legislation would require the President of the United States to analyze the benefits and the problems of Federal regulation and to make specific recommendations for reform to the Congress. It would give the Congress a binding obligation and a very specific deadline to act on these proposals.

For example, if this law were in force today, and I recommended, among other things, that OSHA, its inspectors, be directed to give advice and assistance to your business rather than just handing out fines, the Congress could not bury those proposals, and they could not just talk them to death.

Both the House and the Senate would be required to act on these proposals within 9½ months. Furthermore, the bill calls upon the President to ask your advice on realistic reform, and because action is assured it will be worth the investment of your time as well as your thought.

Here is the agenda: In 1977, we will develop comprehensive reform proposals in transportation and agriculture; in 1978, mining, heavy manufacturing, and public utilities; in 1979, light manufacturing and construction; in 1980, communications, finance, insurance, and other service industries.

This comprehensive review will have four major goals:

—First, ensure that government policies do not infringe unnecessarily on individual choice, individual initiative, or in the free marketplace.

—Second, find better ways to achieve our valid economic health and safety standards at a minimal cost.

—Third, ensure that Government policies and Government programs benefit the public interest rather than special interests.

—Fourth, ensure that regulatory policies are equitably enforced.

This legislation was born of a common concern for regulatory reform within the administration and the Congress. Senators Robert Byrd and Charles Percy and Representatives John Anderson and Barbara Jordan have been in the forefront in proposing regulatory reform. And I look forward to working with them to marshal broad bipartisan support and, hopefully, swift enactment of this basic legislation.

This new initiative is not in any way whatsoever intended to delay reforms on which we have every right to expect immediate action. My administration will continue to reduce unnecessary and burdensome regulations, to cut back on paperwork and redtape, to make administrative improvements wherever possible, and to get the Congress to act on reform legislation already submitted. These are ambitious programs, but I am certain that if America's third century is to be the century of the individual, we must take the first bold steps toward reducing the influence of government in our everyday lives and reclaiming that great freedom that is our most wonderful heritage.

As the proprietors of small business, you possess the traits of individual initiative, self-reliance, and creativity we prize so highly in America. Those traits have always been indispensable—indispensable as characteristics of a free and dynamic and forward-looking people. I believe these traits are still the dominant ones in America. If they are, then our third century can only be greater than the two glorious centuries that have gone before.

Thank you very much.

NOTE: The President spoke at 1:52 p.m. in Regency Room A at the Hyatt Regency Hotel. In his remarks, he referred to Dr. Reed Powell, chairman of the Small Business Administration National Advisory

Council.

The luncheon was in honor of small business men and women award winners from the 50 States, Washington, D.C., and Puerto Rico.

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Remarks at a Reception for White House Fellows.

May 13, 1976

WELL, let me just welcome all of you on behalf of Betty and myself. We are delighted to have the White House Fellows alumni here and their spouses. I

have had some experience with them over the years. Obviously, more recently, more intimately than I did when I was either Vice President or up on the Hill as the minority leader. I do see some familiar faces here, and I am delighted to see them as well as all of you.

I was talking to Tom,¹ asking him how long this program had actually been in operation, and I understand it goes back to 1965 with 170-some—Tom, is it?—alumni. Tom was showing me how so many of you have spread out, assumed positions of responsibility in business, professions, as well as in government. And I know that if a catalog of all the places of great esteem and public service and otherwise—it would be a real foundation for a tremendous impact on this country, both locally, at the State level, and federally, and an impact for good.

I suspect there is a good cross section here of Democrats, Republicans, Independents. But all of you having gone through the experience of what goes on in the Federal Government, whether it's in the White House or in the many departments, can really be missionaries for the 215 million other Americans who I think want a better understanding of how it works.

There is a, I think we all know, sort of an anti-Washington feeling, but a lot of it is unfair, not justified. And I think if you who have gone through it can explain, can be missionaries in trying to justify what we do well and to explain why we have some chores that are not really of our own asking—they are forced upon us—but at least you can explain in depth, because you have gone through it, what the trials and tribulations and the burdens are of trying to be responsible both in the execution of policy and the explanation of policy.

The opportunity for people to come from the private sector into government and to go back, or those from one branch of the government to come into the White House and then go back to another department or agency or commission, I think, is a great opportunity in this cross-fertilization that is so necessary to improve not only our image but our execution and the understanding of the processes of government and what we are seeking to do.

We have five of your alumni working in the White House on my staff at the present time, and that's not a bad percentage. [*Laughter*] We are, of course, delighted with all of them and the job that they do. And let me assure you, they are outstanding, as I am sure all of you are in your respective areas at the present time.

Betty and I would like to wander around and say hello and meet some we haven't met before. And then, like all of you know, at the White House there

¹ Thomas Johnston, member of the Commission on White House Fellowships 1971–76.

is always something else we have to do. So, if we slip out after a few minutes, I hope you will understand.

In the meantime, would you please enjoy yourselves. And we look forward to seeing you next year and maybe a couple of years after that. [*Laughter*]

NOTE: The President spoke at 5:58 p.m. in the State Dining Room at the White House.

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Statement on Congressional Adoption of a Federal Spending Ceiling. May 13, 1976

THE SPENDING ceiling resolution adopted today by the Congress is \$413.3 billion, nearly \$18 billion more than I have recommended. The resolution fails to check growth in Federal spending. It fails to put us on the track to a balanced budget in 3 years. And it ignores the additional \$10 billion tax cut I recommended for the American people. The individual appropriations actions the Congress must take to implement their spending ceiling must come to me for action. The Congress should be on notice that it is my intention to hold Federal spending to the lower limit I proposed. I will not be a willing partner to the risk of another round of double-digit inflation. I hope everybody realizes that this resolution does not come to the President for action. If it did, I would veto it.

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Remarks at the Annual Meeting of the American Jewish Committee. May 13, 1976

Thank you very, very much, Max, Mr. Winter, Your Excellencies, Members of the Congress, my associates in the executive branch of the Government, ladies and gentlemen:

May I express to you, Max, my deep appreciation for your very generous and kind remarks, and I hope and trust that I will have an opportunity for a long, long time to justify that faith. I thank you very, very much.

I am really highly honored and greatly indebted to all of you to participate in the congratulations of the American Jewish Committee on its 70th anniversary.

As the Committee today celebrates its anniversary, we, all of us, are observing our Bicentennial. The Bicentennial rightfully addresses the Jewish contribution

to America, along with other vital ingredients of our nationhood. The traditional Jewish concepts of justice, liberty, family, and citizenship are part and parcel of the American heritage.

When America's founders created this Republic 200 years ago, they saw it as a promised land. They were inspired by moral and ethical values of the Old Testament as well as by the teachings of Jesus. As we reaffirm America's traditional separation of church from state, we also honor the spirit of our Constitution which draws its moral philosophy from the Jewish-Christian heritage. Religious values are the foundation of the promise of America: the infinite value we place on each individual, the sanctity of human dignity, the commitment to human rights, and the firm belief in justice for all.

America has grown great because America has the wisdom to invite diversity. Judaism and all other of our religions helped translate the basic credoes of religious faith into the principles and into rules that govern our daily lives. I am tonight especially mindful of the unique blending of the Jewish heritage with the multitude of diverse cultures of our country. I commend the work of the American Jewish Committee and the spirit with which you have translated Jewish concerns into concern for all humanity. We are proud to have an agency of the American Jewish Committee co-sponsor a White House meeting on ethnic diversity and group identity next month.

When 6 million Jews were so cruelly murdered in World War II, the victim was not only the Jewish people but civilization itself. On my visit to the notorious Auschwitz concentration camp last summer, I saw the words vividly written, "never again." This must apply to all genocide—either physical or cultural.

The United States stands by the fundamental humanitarian principle that people should be free to emigrate as they choose. A few years ago, we achieved a substantial increase in emigration from the Soviet Union. I will do my utmost to restore this emigration. It will be a complex problem and process in which the Congress and I, on this case, will have to work very, very closely together. But the doors were open before, and we must strive to reopen them now for the future.

The realization of our mutual goals—advancement of political and spiritual freedom of all people—is a priority item on America's conscience. The proclamation of liberty must be written not only in our Declaration of Independence but in our hearts. Yet, just as you cannot do all that must be done, neither can your government. Together, we must have a creative partnership—voluntary efforts such as those performed so brilliantly by the American Jewish Commit-

tee, combined with Federal and local authority and the willingness to act, to preserve, and to extend the values that we all share.

Two hundred years ago, there were relatively few Jews in America. Though small in number, they were great in spirit. They served in all capacities. George Washington turned to one patriot of Jewish faith, Haym Salomon, when the budget of the Continental Army was totally depleted. Salomon sacrificed his personal fortune and encouraged others to join in financing the American Revolution. In pursuing justice and liberty, he personified the finest qualities of American patriotism.

In those early, early days, we benefited not only from our own patriots but from outside assistance to establish and to maintain our independence. Today, the American people, regardless of religion, see justice in this Nation's traditional and special relationship to a kindred nation in the Middle East—the State of Israel.

Most of you know, I am sure, the first head of a foreign government to visit the White House in this Bicentennial Year was Prime Minister Rabin of Israel. He paid homage to the shrine of our freedom in Philadelphia before he came to our Nation's Capital.

The Israelis' tribute to our Bicentennial demonstrates the basic values shared by America with Israel. Both nations were born in the face of armed opposition. Both nations are a haven for people fleeing persecution. Both nations find their vitality and their vision in a commitment to freedom and to democracy. Both nations share the courage and the determination to preserve their independence and their security.

Israel and the United States have an affinity not only for each other but for basic principles of democratic self-government which distinguish these two nations from most other nations in today's world. America must and America will pursue friendship with all nations, but this will never be done at the expense of America's commitment to Israel.

A strong Israel is essential to a stable peace in the Middle East. Our commitment to Israel will meet the test of American steadfastness and resolve. My administration will not be found wanting. The United States will continue to help Israel provide for her security.

The funds which I have proposed to the Congress for the two budgets that I have submitted total over \$4 billion. I favor such aid because it is so clearly in the national security interest of the United States and so essential to preserve and to promote peace in the Middle East. These figures speak far more

eloquently than any words of my commitment to the survival and security of Israel.

It is essential that we remain true to our commitments, not only for ourselves but for all those who rely upon us. We must never lose the vision that has made our country a beacon to all who seek freedom. But our strength and our goals are to no avail if we lack the courage, the unity, and the will to utilize our strength in support of our friends. Without cohesiveness of purpose at home, our friends cannot really be protected nor our opponents long dissuaded from aggressive actions.

My dedication to Israel's future goes beyond its military needs to a far, far higher priority—the need for peace. We appreciate Israel's dilemma in moving toward peace. Israel is asked to relinquish territory—a concrete and essentially irreversible step—in return for basically intangible political measures. But it is only in willingness to dare to exchange the tangible for the intangible that hostility can be ended and peace attained.

I am very, very proud that my administration—that during this administration, I should say—the United States has seen a major and a very successful movement toward peace, prosperity, and trust abroad, as well as at home. Last September's Sinai agreement was a milestone on the road to peace that would have been inconceivable just a few years ago. I commend and I thank Israel's bold and courageous decision. Israelis and Egyptians are no longer dying in the sands of the Sinai Peninsula.

The peace process must continue without one-sided concessions, but with steady progress. Stalemate, stagnation create unacceptable risks of further conflict. The United States is dedicated to a just and lasting peace in the Middle East. We have worked over years unceasingly to that end; we shall continue to do so. Yet, in the final analysis, it is the parties to the dispute who must make peace a reality.

The responsibility to achieve that peace exists equally on all parties who must contribute, each in full measure, to the peacemaking process. America's responsibility is to encourage both sides to end the state of war that has for far too long plagued the Middle East and threatened world peace. The 1973 war has had dangerous political and economic repercussions throughout the world. It caused strains on our alliances and near-confrontation with one of our adversaries. The resulting oil embargo and drastic and unwarranted oil price increases caused severe problems of recession as well as inflation.

I will continue, as all of my former colleagues in the Congress will do so, to work for peace in the Middle East. This is not only for the sake of the Israeli

and Arab peoples but for the well-being of all Americans and all humanity. The United States has demonstrated the strength of our free economy, as well as our faith and vision of the future. These qualities are characteristics of a kindred people, the people of Israel. Americans and Israelis have both been inspired by moral aims. Indeed, my commitment to the security and to the future of Israel is based upon basic morality as well as enlightened self-interest. Our role in supporting Israel honors our own heritage.

America remains the real hope for freedom throughout the world. We will remain the ultimate guarantor of Israel's freedom. If we falter, there is no one to pick up the torch. If we withdraw ourselves, those who rely on the United States, those who gain their strength from us, are lost.

But we will not falter; we will not withdraw. We will remain steadfast in our dedication to peace and to the survival of Israel. There may at times be differences between America and Israel over the means to achieve mutual goals. But there has not and will not be any erosion of the fundamental American-Israeli friendship, nor will I forsake the goal of peace or the moral commitment to Israel which now I reaffirm. With that conviction, I tonight reiterate the words of George Washington to the Hebrew congregation of Newport, Rhode Island, two centuries ago. The Government of the United States will continue "to give to bigotry no sanction, to persecution, no assistance." That is my goal worldwide, as it is at home.

Thank you very, very much.

NOTE: The President spoke at 8:55 p.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Max

M. Fisher, honorary chairman of the National Executive Council, and Elmer Winter, national president, American Jewish Committee.

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Message on the Observance of National Nursing Home Week. May 13, 1976

IT IS vitally important to the strength and future progress of our society that those citizens in need of long-term institutional care—especially the elderly—be provided the best possible environment and attention during their period of recuperation or, in some cases, for the remainder of their lives. With this in mind, I want to salute the dedicated men and women who help to ensure proper nursing home care for those who require it.

It is encouraging to note the tremendous growth of the nursing home industry

and the steady expansion of its critical role in promoting the well-being of our communities. The success we have realized is a tribute to the American spirit of concern for others and to our national willingness to work together for the common good.

On this special observance I commend the nursing home industry and express deep gratitude for its outstanding contribution to the quality of life in our country.

GERALD R. FORD

NOTE: National Nursing Home Week was observed May 9–16, 1976.

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Exchange With Reporters on Arrival at Bristol, Tennessee. May 14, 1976

GOOD MORNING. It's great to be back in Johnson City. I have been here on at least one occasion, I think in 1972 or 1970. I wish it was possible for me to do more traveling in Tennessee. We are going to Memphis, of course, but I would have been delighted to go to Knoxville and Chattanooga and Nashville and the many other nice places in Tennessee. But the fact that I also have to do the job of being President to a substantial degree cuts back my opportunities to see the many people in Tennessee and Kentucky and Michigan that I would like.

But, as I think all of you know, I'm running on my record as President for the last 21 months. I think that's a good record. It's a record of achievement in the field of domestic affairs. We have cut the rate of inflation by 75 percent. We have added 3,300,000 people to the job rolls in this country in the last 12 months. We added 710,000 new people on the job rolls just the last month of April. And if we look at the overall, we are at peace; we have got the strength to maintain the peace. And finally, I think the Ford administration has restored confidence, integrity, candor, and forthrightness in the White House.

So, when you sum up the substance of the 21 months, I think I can say with pride that we have achieved peace. We are on the road to a growing and permanent prosperity, and the White House today has the trust and confidence of the American people.

I'm deeply grateful that Senator Howard Baker is here and your own Congressman Jimmy Quillen as well as your fine, former Governor, Winfield Dunn.

I will be glad now to answer a couple of questions.

Too early in the morning? [*Laughter*]

REPORTER. Mr. President, Senator Baker said that it would be good for you to ask Mr. Ronald Reagan to be your Vice-Presidential nominee. What do you feel about that?

THE PRESIDENT. As I understand it, Mr. Reagan has taken himself out of any consideration. He made a statement several weeks ago that he would not be a candidate for Vice President.

Q. Would you consider him, though?

THE PRESIDENT. I certainly have never said I wouldn't, and I was only going by his own statement. We have an outstanding field of potential Republican Vice-Presidential candidates, including Senator Baker, Senator Brock, former Governor Connally, and a number of sitting Governors. So, we have an excellent potential for Vice-Presidential candidates, and I have got one of them standing right at my right.

Q. Do you plan to name your TVA appointee today?

THE PRESIDENT. No, I do not.

Q. Are you worried about the crossover vote, Mr. President?

THE PRESIDENT. Where? In Michigan or here?

Q. Here.

THE PRESIDENT. I have said repeatedly that we want all voters, whether they are Republicans, Independents, or Democrats, who have the same political philosophy that I have, to vote for me. I want this to be a test of the total vote of individuals, regardless of political label.

Q. Mr. President, why isn't Senator Brock on this trip?

THE PRESIDENT. I believe that Senator Brock is going to meet us in Memphis, as I understand it. But, you know, he also has a campaign of his own, and as I recall, this morning he had some committee meeting of some importance that precluded his being on this particular leg of the trip.

Q. Mr. President, how do you feel about Henry Kissinger in your Cabinet?

THE PRESIDENT. Henry Kissinger has done a good job as Secretary of State, and you can judge that by the fact that we have achieved the peace. And a Secretary of State's record is what you have to judge him on, and this administration has achieved the peace. We are in a position to maintain it through our military capability and our diplomatic skill. And as long as a person does a good job I want him on the job.

REPORTER. Thank you very much.

NOTE: The exchange began at 8:56 a.m. at the Tri-City Airport.

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Remarks at a Rally in Johnson City, Tennessee. May 14, 1976

Thank you very, very much, Congressman Jimmy Quillen, Senator Howard Baker, Governor Winfield Dunn, Ed Williams, Reverend Johnson, fellow Americans:

At the outset, let me congratulate and thank the East Tennessee State University Marching Band and the other fine bands and wonderful organizations here. I am deeply grateful for your attendance and the wonderful music.

I am likewise most grateful that Governor Winfield Dunn is here. He was an outstanding Governor for you in the State of Tennessee for 4 years. He was one of the most outstanding Governors in the whole United States during the period that he served you in Tennessee. And it was my privilege and my honor as the minority leader in the House of Representatives to work with him on many, many projects involving your State and involving Governors throughout the country, and I thank you very, very much.

I am deeply grateful to my very good and very old friend, Howard Baker, for his endorsement. You have in Howard one of the outstanding Members of the United States Senate. Nobody in the Congress knows more than Howard involving the problems of energy, nuclear power. And he was tall and strong in the difficult days in 1972 and '73 and again in 1975 and '76 involving the problems of the intelligence community. And I thank you from the bottom of my heart, Howard, for your endorsement and your support.

Obviously, it's a great honor and privilege for me to be in Johnson City again. I was here in 1972 at a delightful and wonderful opportunity to meet many of you from Johnson City. I deeply appreciate Jimmy Quillen's generous and very, very strong support. I've worked with him in the Congress when I was minority leader all the time that we served concurrently. We're close personal friends. And he and I have worked together for 4 years for the medical school project of this community.

With this great crowd, it's just great to be in Johnson City, home of the Tennessee Buccaneers, the Science Hill Hilltoppers, the Constitution Hall Bandits, and the Independence Hall Rebels.

My message today to the people of Tennessee can be summed up in just a very few words. As much as I believe in a strong and prosperous American automobile industry, I am here to say this year there is absolutely no reason whatsoever to trade in your Ford on another model.

I have had the great honor and privilege to serve as your President now for more than 21 months. When I took office in August of 1974, America was faced with some of the most pressing and the most serious problems in its 200-year history. Our economy had gone haywire, with prices going up at an annual rate of more than 12 percent and with America on the brink of the worst recession in 40 years. Our national resolve to meet international commitments had been called into question by our allies and adversaries alike. There was great danger to peace in many, many areas throughout the world. Underlying these serious problems was a crisis of confidence in our government, especially in the White House.

There was a crisis of spirit among the American people, many of whom began to question whether our best days were already behind us. Twenty-one months later, the American scene has dramatically improved. That 12-percent inflation rate has been cut more than half. In fact, it's down to less than 3 percent in the first 3 months of 1976, and that's a 75-percent reduction, a good record. After seeing unemployment rise to nearly 9 percent just 12 months ago at the low point of that recession, we have recovered more than 3,300,000 jobs in the last 12 months alone—87,400,000 are on the job today throughout the 50 States, and that is more than ever before in the history of the United States. And I would say that's a pretty good comeback from where we were a year ago. Internationally, America is at peace with every nation on Earth. Not one American is serving in combat anywhere today anyplace throughout the world, and I intend to keep it that way.

The day that I took the oath of office as President of the United States I said that truth is the glue that holds government together. Twenty-one months later the record of my administration is one of candor, integrity, and openness. It's a record that has restored the people's confidence and trust in the White House, and it is a record that I'm very, very proud of.

The American people today are looking into the future with faith instead of fear, and that future can be as bright and as successful as we want to make it. Economically, we're on a course of steady growth and rising prosperity. We have done battle with the worst recession in 40 years and with the worst inflation in more than 50 years, and we've won.

Our next battle is with deficit spending by the Federal Government, and I have already begun that battle with 49 vetoes as my ammunition. Despite a supposedly veto-proof, two-thirds Democratic majority in the Congress, we got 42 of those vetoes sustained, and those 42 vetoes will save the American people \$13 billion.

And if the Congress keeps sending me budget-busting bills down to the Oval Office in the White House, I will use my veto again and again and again. I will not be satisfied until we balance the Federal budget, and the sooner the better. My plan is to combine spending cuts with tax cuts and to reduce the growth of Government across the board.

We cut your taxes last year, and that led to a major increase in consumer spending, and that increase was a very major factor in our economic recovery. Last January, I asked the Congress for another tax cut of \$10 billion starting July 1 of this year. But instead, it looks like the majority in the Congress wants to spend \$17 billion more than I proposed, eliminating the tax cut, and increasing the national debt to \$713 billion. That's the wrong program, and we've got to fight for my program.

And may I mention, among the tax cuts that I recommended to the Congress was an increase in the personal exemption from \$750 to \$1,000, and I can't understand why the Congress or a majority of them don't understand that the people in the middle-income area need that tax cut.

With the new budget that I proposed, we could cut the rate of growth in Federal spending by 50 percent and we can achieve a balanced budget by 1979. Now, if we can get a few more Howard Bakers, Bill Brocks, Jimmy Quillens, John Duncans, Robin Beards in the Congress of the United States, we can cut government spending, we can balance the budget, and we can win the battle. And I hope you will help us across the board.

The sound of real battle is only faintly heard in the world today after so many, many years of war. The United States can be proud of the role it has played in bringing peace to the world and in promoting the cause of freedom, of human dignity throughout this globe. We can play that role successfully because we are strong enough to command the confidence of our allies and the respect of our adversaries.

After years and years of lower and lower defense budgets imposed by the Congress, we have reversed that dangerous trend. I have proposed in the last 2 years—January of 1975, January of 1976—the two largest defense budgets in American history. And I hope that we finally convinced a majority in the Congress that it can't shortchange our national defense any longer. And we're going to win that battle against that Congress like we're winning the battle in the economy and for peace throughout the world.

The purpose of America's mighty arsenal is not to terrify the weak, to provoke armed confrontation, or to lay claim to that which is not ours. Our purpose is

to defend freedom and to maintain a foundation of strength on which to build a better and a safer world.

But our strength does not rest in our military power alone. Our major source of strength is the productivity and the success of the American farmer who, in the last 3 years, has enjoyed his highest net income in our Nation's history and whose exports have hit high, high records. Those exports have helped to put America back on the road to prosperity, and the farmer deserves the thanks of every American in every one of our States. That just doesn't mean the big farm operator; it means the small family farmer right here in east Tennessee, and I thank you all.

To preserve that family farm and other family enterprises, I have proposed to the Congress raising the estate tax exemption from \$60,000 to \$150,000. In addition, I have proposed stretching out those payments over a 25-year period at low-interest rates and, most importantly, exempting from taxation the transfer of property between husband and wife.

I want to see the family enterprises stay in the family rather than be sacrificed to pay the Federal tax collector. The family tradition, like the American tradition, is one of security, one of rich heritage, of pride and hope for the future.

There have now been eight generations of independent Americans, each one working, planning, and praying that life would be even better for the next generation than for theirs. In a very special sense, I want to continue as President because I want this generation of Americans to leave a better America to the next generation. I want to ensure that realistic, responsible policies are right for America, that have been proven right over the last 21 months, and to make sure that they continue. I want to maintain that peace that we now enjoy, to secure that peace through strength, and to make certain that the legacy of peace continues for our children as well as our grandchildren. I want to continue the policies of reliance on the private economy, of cutting taxes, and bureaucracies, and removing useless regulations and wasteful spending.

These policies have brought us back from the depths of a recession to a sustained recovery, and they can help to ensure that runaway inflation never again robs us or our loved ones of the rewards of honest work and lifetime savings.

Finally, I want to finish the most important job that I have begun—the restoration of faith and trust in the Presidency itself. The great institutions of government crafted with such great care by our Founding Fathers have their foundations in the people's trust. In the past 21 months, the foundation has been strengthened rather than shaken, and we will strengthen it more in

the next 4 years. I did not seek this Presidency, but I will not shirk from its responsibilities.

Telling the truth is the secret to success in government, as in everything else. In my administration, we have faced many of the unpleasant facts of American life and we have dealt with them in a forthright and effective way. We have avoided making fancy promises and raising false hopes. And in the future as in the past, I will promise no more than I can deliver and deliver everything that I promise.

Peace, prosperity, and trust are the sum of my performance in the nearly 2 years since I became your President. They are a prescription for progress in America today, and they can be the greatest legacy any generation of Americans has ever left to its children. And that is why I ask for your support on May 25, November 2, and the 4 challenging years ahead.

Thank you very, very much.

NOTE: The President spoke at 9:58 a.m. in the Freedom Hall Arena. In his opening remarks, he referred to Ed Williams III, Washington County

Republican chairman, and Rev. F. Heisse Johnson, executive director of the Holston Conference of Colleges, Inc.

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Exchange With Reporters on Arrival at Memphis, Tennessee. *May 14, 1976*

IT IS just great to be in Memphis. We had a very fine stop in Johnson City. Naturally, I wish I could have visited Chattanooga and Knoxville and Nashville, but I do have a responsibility to be President as well as campaign. We love Tennesseans, and we will do the best we can by stopping where we have. I want all of you to know that I am deeply grateful for the leadership of Governor Dunn, of Senator Howard Baker, of Bill Brock, and the other congressional members. I am very, very grateful for their help and assistance.

Let me say that I am optimistic about our opportunities here in Tennessee. The warm welcome in Johnson City was very encouraging. We, of course, think we have a record that would justify the support. And that record is predicated upon 21 months of success in keeping the peace and building the blocks for the peace in the future and for the prosperity which is now surging from the troubles we have had over the last year, year and a half.

We are on our way to, I think, a permanent and constructive prosperity with employment going up and with unemployment going down. As a matter of fact,

everything that is supposed to be going up is going up, and everything that is going down is supposed to be going down.

But as we take a look at some of the other things, when I became President the trust of the American people in their government was at a pretty low ebb. We have restored that confidence by frankness, forthrightness, integrity. So, when you look at the three key programs that I have carried out—peace, prosperity, and trust—it's my feeling is that the American people want that for the next 4 years.

I'll be glad to answer some questions.

REPORTER. Mr. President, what do you think about your chances here in the Tennessee primary?

THE PRESIDENT. I am optimistic. I think it will be close, but I'm optimistic.

Q. Do you think that Ronald Reagan's statement that he feels you will lose in your home State of Michigan and therefore you declare defeat—

THE PRESIDENT. Well, I think we will win, and win well in Michigan.

Q. President Ford, how come you haven't defended your foreign policy more strongly in the wake of Ronald Reagan's criticism of it?

THE PRESIDENT. I think I have defended the good foreign policy very energetically and with great feeling because it is a foreign policy that achieved the peace and a foreign policy that is keeping the peace, and it is a foreign policy that will maintain the peace in the future. It's a good foreign policy. It's been a successful one.

Q. Mr. President, your delay in signing the threshold nuclear test ban treaty has been interpreted in Moscow as a snub. Was that intentional?

THE PRESIDENT. Not at all. It was just one of the practical problems that we faced with the heavy job of being President and the heavy job of campaigning.

Q. Mr. President, do you expect Senator Brock to endorse you?

THE PRESIDENT. I know Bill Brock is a very good friend of mine. And we have a great deal in common. I will leave that up to Bill Brock.

Q. Sir, concerning that delay of the nuclear test ban project, there are those who were saying that you were concerned about signing it now because anything you sign with the Russians will go down to your discredit in the campaign. Did politics play any part?

THE PRESIDENT. Not at all. I am very proud of that nuclear test ban agreement because for the first time, through very sound and, I think strong negotiating, I obtained for the United States the first opportunity to have onsite inspection in the Soviet Union. This is a breakthrough that five or six Presidents before me have sought to obtain, but because we were firm, because we had good relations,

I was able to obtain an onsite inspection agreement with the Soviet Union in the nuclear field. I'm very proud of it, and I think it's good for us and it's good for all of mankind.

Q. Mr. President, do you feel that you and Mr. Reagan might wipe each other out and that another candidate might get the nomination for the party off of the Democrats?

THE PRESIDENT. No, I expect to win in Kansas City.

Thank you very much.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 12:01 p.m. at the Memphis International Airport. In his remarks, the President referred to Governor Bryant Winfield Dunn of Tennessee 1971-75.

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Remarks at Dedication Ceremonies for the Commerce Square Fountain in Memphis. May 14, 1976

Thank you very, very much, Senator Howard Baker, Congressman Jimmy Quillen, Governor Winfield Dunn, my former colleague, and your former Congressman Dan Kuykendall, Mayor Chandler, Mayor Nixon, distinguished guests, fellow Americans:

It is great to be back in Tennessee, and it's great to be here in Memphis, and I'm glad to see a few Razorbacks here, also. And obviously, I'm particularly happy to be with you here this afternoon to participate in a small way in this wonderful Memphis new Mid America Mall, and I congratulate you.

The mall is a perfect example of what can be done to revitalize, to beautify one of our Nation's greatest cities. You did it with local funds through local effort and without the involvement of Federal money or Federal bureaucrats. Congratulations to all of you in Memphis.

As all of you know, we are headed into the final rounds of a contest which I believe will determine the direction of our country—how it will go, where it will go in the next 4 years. And I am especially grateful for the very kind words of Senator Howard Baker. And may I say parenthetically, it has been a great privilege and pleasure for me to work with him in his areas of special competence and expertise, whether it is in nuclear energy, matters involving intelligence, whether it's the whole spectrum of what is good for Memphis, what is good for Tennessee, or what is good for the United States, and I thank you very, very much, Howard.

I know Tennessee well enough from my many acquaintances here, as well as those in the Congress—I know Tennessee well enough to know that you appreciate straight talk. And that's what I'm going to give you here today, just like I have given it to the American people during the 21 months that I have had the honor and privilege of being your President.

The day I was sworn in, I said our long national nightmare is over, and it is. We have totally dispelled the climate of darkness and despair that hung over Washington. And let me say, I won't let you down in the next 4 years. We will make the same strong record.

During this 21-month period, I have leveled with the American people. I said it in my second State of the Union Message, and I say it here again today: We will promise only what we can deliver, and we will deliver everything that we promise.

Consider, if you will, where we were in the very first weeks and months of my Presidency. Then some well-known labor and political leaders were predicting that the United States of America was headed into a depression and that only massive action by the Federal Government could avert tragedy. Inflation was over 12 percent. Unemployment was climbing, and we were heading into the worst recession in the last 40 years. But instead of listening to the prophets of doom and gloom, with their quick-fix solutions involving more big government, we pursued a calm, steady course of relying upon American energy and American enterprise, and we have produced results.

As a result, today we meet not in the gloom of a recession, but in the full surge of a steady, confident economic recovery not only in the State of Tennessee but in 49 other States. We have turned the country around, and we are on the road to renewed prosperity, mutual trust, and a lasting peace. We cut the annual rate of inflation by more than 50 percent. We increased employment in the last year by 3,300,000 new jobs in America.

In the last month, the month of April, we increased employment throughout the United States by 710,000. The index of consumer confidence—that is, what you here in this Mid America Mall believe—the index of consumer confidence is double what it was a year ago.

Now, our recovery just didn't happen—it took place because I rejected bigger spending, bigger deficits, and bigger government intervention. For example, I used the veto power 49 times, and 42 of those vetoes were sustained, saving the American taxpayer—that is you—\$13 billion. And if you want to identify that \$13 billion to each of you, that averages out to a saving of \$200 per family that we saved by the vetoes and the help and assistance of Howard Baker, Bill

Brock, Jimmy Quillen, Robin Beard. That is what we can do if we have the support of all of you, not only for me but for the good Members of the House and Senate who believe as you do and believe as I do.

I learned a very basic truth when I first came to the Congress, and let me give it to you, because I think it wraps everything into proper perspective: A government big enough to give us everything we want is a government big enough to take from us everything we have.

But I also know that as a nation our best hope for a continued peace is to remain strong, and that way we can and we will preserve the peace. Throughout my 27 years of public service in the Congress and in the White House, my record is one of total commitment to a national defense equal to any challenge and a policy of peace through strength.

For 10 long years, the Congress has hacked away at the defense budget, cutting some \$50 billion in this one period—a decade. Last year, this Congress cut almost \$7 billion from the very first defense budget that I submitted as your President.

This year, in January, I decided that we were going to meet head-on the challenge of the Congress, and we were not going to let them undercut our national defense security and our military capability. So, I submitted a budget that would keep our Army, Navy, Air Force, Marines strong and capable of carrying out any of the missions assigned to them. And I am glad to report that the Congress this year is getting the word and is giving to us—to me, as President, and to you, the American people—the kind of funding that is required so that our men, whether they are airmen, sailors, marines, or soldiers, will have the equipment, the training, and the leadership to keep America able, totally committed to the defense of this great country.

Because we are at peace and because I think we must stay there, I am totally dedicated to maintain that peace that we now enjoy and to make certain that the legacy of peace continues for our children and for the generations to come.

With our Nation at peace, I am continuing the task that I undertook the day that I became your President, which is the restoration of confidence and trust in our institutions, in ourselves, and in America's future.

The record of my first 2 years in the White House is peace, prosperity, performance in office, and trust. It is a record that I am proud of. It's a record that gives me the opportunity to ask you in good conscience, give me a mandate to keep peace, prosperity, restoration of confidence and trust in America.

The course that we take in the next 4 years will shape America's future. It's a course that must be piloted by a person who has got a steady hand, background

and knowledge, a capability of dealing with the Congress, a course with a pilot who knows how to get the job done. And that job is very simple—the job of peace through strength, from recession to recovery, from fear to faith.

And with your help—and I ask you here in Memphis today and in Shelby County—I need, I want your help, and I won't let you down in the next 4 years.

NOTE: The President spoke at 12:37 p.m. at the Mid America Mall after receiving the key to the city from Mayor Wyeth Chandler. In his opening

remarks, he referred to Mayor Roy Nixon of Shelby County.

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Remarks at a President Ford Committee Volunteers Reception in Memphis. May 14, 1976

THANK YOU very, very much, Howard. Let me add a postscript to what Howard just said. What he did say in compliments to all of you was not something he just said for you here, because he has been telling Jimmy Quillen and myself and Governor Dunn that all the way from Johnson City. So, he really means it. And I can see from the enthusiasm and the record that you have that we are going to do very well here. And it is not the record that I have, it is not anybody else, but it is the hard work on the telephone and in the precincts and every other way that you people do, and for that I am very, very grateful.

Now, let's think about what we have to do between now and May 25. We have got a couple of very important primaries next Tuesday, and then the following Tuesday it is countdown day right here in the State of Tennessee.

Tennessee, along with Kentucky, are very crucial. We expect to get some momentum next week up there in Michigan and Maryland. And let me assure you, if we get that momentum, we want it to be contagious, and we want it right down here in Tennessee as well.

Now, we have got great leadership here with Senator Baker, Governor Dunn, Jimmy Quillen, Robin Beard, my old friend Dan Kuykendall, and Bill Brock. It is just a great organization of people that have either served with me in the Congress or I have known, such as Governor Dunn, when he was the Governor of your State and did so extremely well and who was the head of the Governor's Conference. These people have had an opportunity to observe, to see how I voted, how I talked in the Congress, what I tried to do, and their endorsement of me means a great deal.

So, I am deeply grateful to each and all of them, and I am equally apprecia-

tive of your willingness to be a volunteer out in the frontline because, as I said a moment ago, that is where the battle is won.

If I could give you a few words or a few ideas that you might use as you talk to your neighbors, to your business associates, to your friends, I can summarize it very quickly.

Why should Jerry Ford be the next President for the 4 years ahead of us? I think it is very simple. One, I have got a record. It is not predicated on promises with no experience; it is predicated on the basis of struggling with the Congress, on the one hand—not with Howard and Jimmy, but with those other fellows. [*Laughter*] It is experience in working with the Congress to get them to do something or to prevent the Congress from doing something. And I can tell you it is very helpful to be able to call people to help affirmatively, like Jim or Howard, or to ask them to stand with me when those goings are tough with the vetoes that we have.

Continuity in the office is important. Some of the things that we have to meet on a day-to-day basis relate to what happened in the past, and to have a little background is sometimes extremely helpful, both as to time and as to content. So, whether it is experience or continuity, those are important assets.

Number three, let me talk just a minute about the record. We try to summarize our achievements in three words—peace, prosperity, and trust. I think we have done a good job. We achieved the peace during the 21 months that I have been President. We have got it today, and we have the programs, both military and diplomatic, to keep it in the future. Let me point out, as Howard did on several occasions today, I am the first President in 13 years who can go to the American people and say our country is at peace.

There is one other point. The young people who are on college campuses, it is the first time in over 40 years that a young man graduating from college and/or high school isn't faced with mandatorily going into Selective Service. We achieve our manpower requirements in the Army, Navy, Air Force, and Marines by volunteers. And so we have a good military organization, but we also have the option for young people if they want to do otherwise.

Now, let's talk for just a minute about prosperity. You don't know how tough it was—I suspect some of you do. A year ago we had nearly 9 percent unemployment. A lot of people were saying, Mr. President, you have got to spend a lot more money; you have got to initiate a whole lot of new, costly programs with all kinds of new Federal bureaucracy; you have got to do a multitude of other things in a panic.

We didn't do it. We held the line. We vetoed 49 bills, 42 of them were

sustained, and we saved \$13 billion of the American taxpayers' money. That is our track record. Of course, I got a lot of help from Howard and Jimmy and some of the other staunch people, because we have to get a third in order to achieve that result—so we did.

What are the facts now? Twelve months after a serious drop into the depths of a recession we are on the way up, and everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. The rate of inflation has been cut better than 50 percent, and if you take the first 3 months of this year, we have cut it 75 percent from the high of 1974. We added 3,300,000 more people in our labor market in the last 12 months, including 710,000 in the last 30 days. So, the whole momentum is really surging for a good, prosperous future for this country, and I think I had something to do with it.

I have one quick other comment. They weren't very happy days to walk into the Oval Office on August 8 [9], 1974. The American people had lost a lot of confidence in our Government. You all know the reasons. It has been a long way up to where I think we have restored that confidence, and the restoration of that confidence was absolutely essential to get America moving again. America is moving, and I think the restoration of confidence, trust, integrity, candor, forthrightness has been a major factor.

Thank you very, very much.

NOTE: The President spoke at 1:21 p.m. in the English Pub at the Holiday Inn Rivermont.

As printed above, this item follows the text of the White House press release.

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Remarks at a Republican Party Reception in Memphis.

May 14, 1976

THANK YOU very, very much, Howard. I also want to thank Jim Quillen and your Governor, Winfield Dunn, who have accompanied me today as we have traveled from Johnson City to here in Memphis. I appreciate their full support, I appreciate their endorsement, and I likewise am deeply grateful for your participation, your support. I am here to ask it.

I am here to urge you to support my candidacy because I think we have got a good record. It is a record that I think is one that, if we are able to continue it for the next 4 years, will give us the kind of peace that we want and have today, the kind of prosperity that the American people can have if we

do the right thing, and the kind of trust and confidence in the White House which I think is essential.

Now, let me take just a minute or two, I—as Howard said—I became President under somewhat difficult circumstances. It wasn't easy, but I can assure you that we started out with a reputation of integrity, a reputation of some 25-plus years as a person who called them as he saw them, who talked straight, who did his job, and was successful.

And we have tried to pursue exactly the same kind of a policy since I have become President. The door is open for those who want to talk to us. We tell the story as we see it. We promise only that which we can deliver, and we deliver everything we promise, and that's a pretty good record.

When I became the President, because the country had gone through a very traumatic experience, many of our allies were uncertain. Our adversaries weren't quite sure, and there could have been a temptation for them to exploit a situation which was very difficult. But by the kind of programs that we have carried out—solidifying our allies and making certain that they know that we are going to stand with those countries in Western Europe, that we are going to continue to make progress in the Middle East, that when we talk to the Japanese, whether it is when I visited Japan or when the Emperor visited here, that Japan knows that they can depend upon us.

As you look around the world you know today that America is respected. America is looked upon as the leader of the free world. Our allies trust us, and our adversaries are respectful of our strength and our capabilities.

And if you look here at home, think back to August 1974—the rate of inflation was 12 percent or more per year, the highest in 40 years. What is it today? For the first 3 months of 1976, it is less than 3 percent per year. In other words, if you compare '74 with the first 3 months of 1976, we have cut the rate of inflation by 75 percent. That's a pretty good record by any standards.

Then, refresh your memory, if you would, back to May or April of 1975. We were in the depths of a serious recession. Many people in political life, a number of people—leaders of organized labor—were predicting a depression comparable to the 1930's. They were the prophets of doom and gloom. And they said we had to do dramatic, drastic things, that we had to push the panic button. We had a lot of pressures, believe me. A lot of people were banging on the door of the Oval Office wanting us to spend a lot more money, wanting us to undertake this quick-fix program. We didn't succumb to that. We said the right thing we're going to do. I knew it would work. We weren't going to succumb to expediency. We didn't.

And where are we today? We have got 3,300,000 more people working today than a year ago. We have 87,400,000 people gainfully employed in America—the most gainfully employed in the history of the United States.

I guess you can summarize it, because of the policies that I initiated, the policies that I implemented, the policies that have been successful that have come out of this administration, the Oval Office, everything that is supposed to be going up is going up and everything that is supposed to be going down is going down. That's not a bad record, either.

So, I am delighted to see you all, and I am delighted to see so many good Republicans. I have been in Memphis when there were considerably fewer than this, and as Dan Kuykendall¹ would verify, I have been here a good many years ago on a number of occasions to try and help build a Republican Party. I think it's the party that has the right philosophy, and I think I've done a good job as the head of the Republican Party for the last 21 months.

And therefore, I very strongly urge, and I strongly would appreciate your support on May 25.

Thank you very much.

NOTE: The President spoke at 1:36 p.m. in the Dunster Room at the Holiday Inn Rivermont. In his opening remarks, he referred to Senator Howard

H. Baker, Jr., and Representative James H. Quillen.

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Exchange With Reporters on Arrival at Louisville, Kentucky.

May 14, 1976

GOOD AFTERNOON. It is real nice to be here with my good friend, Tim Lee Carter, and Thruston Morton and Ambassador John Sherman Cooper and other leaders of the Republican Party. We had a good, full day in Tennessee, and now it is great to be in Kentucky.

I know that some people have raised the question from time to time, "Well, why doesn't President Ford get out and spend 7 days a week on the campaign trail?" The answer is very simple. We have to have a President. I work pretty full-time at that. And the net result is we have, I think, had some good programs and great success, whether it is in the field of foreign policy—and I think John Sherman Cooper could be a good witness to that—our success in Western Europe.

¹ U.S. Representative from Tennessee 1967–75.

We have had good success in coming out of a recession, the worst in 4 years, where we now are well on the road to sound prosperity. And most importantly, I think, we have restored the confidence of the American people in the White House.

We have done all of this in 21 months of success. And I think the American people are interested in progress, in substance rather than in campaigning.

I will be glad to answer some questions.

REPORTER. Sir, the mere fact that you brought Ambassador Cooper in with you today, or is here with you today, does this mean you feel like maybe you are in bad straits here in Kentucky? Mr. Reagan is fairly popular here.

THE PRESIDENT. I think we will do all right in Kentucky. I have been here a number of times. I have been up to Tim Lee Carter's district in London. They had 3,000 people up there a couple of years ago. I have been in Louisville a good many times, Lexington, and I think we have got a lot of friends in Kentucky. And I am delighted to see some good friends like Ambassador Cooper and Thruston Morton and Tim Lee Carter. They are good friends of mine, and I think I have got a few others, so I think we will do all right.

Q. Mr. President, it was one of our Congressmen here, Gene Snyder, who is responsible for releasing Ambassador Bunker's¹ testimony on the Panama Canal negotiations. Do you think that was a proper move on his part?

THE PRESIDENT. Well, I wouldn't pass judgment on whether it was proper or not.

Q. He hasn't got you in trouble, has he?

THE PRESIDENT. Oh, no, no, because we have been very frank about what the aim and objective was. We were negotiating as President Johnson did, as President Nixon did for a long, long-term 50-year treaty. There was nothing deceptive about it. I understood that Congressman Snyder did it for whatever reasons he felt—good or bad—but there was no attempt on our part to decide otherwise as to what we were aiming at. We were doing the same thing that Mr. Johnson had, what Mr. Nixon was doing. And I am glad that Senator Barry Goldwater supports me in this effort.

Q. Mr. President, do you agree with some of those who say that the type of campaign that Ronald Reagan has been waging has hurt the Republican Party in its chances for victory in November?

THE PRESIDENT. I wouldn't describe it as that. He has been campaigning full time. He doesn't have the responsibility that I have, but I am not going

¹ Ellsworth Bunker, U.S. Ambassador at Large.

to pass judgment on the kind of campaign he has been running. We expect to win regardless of his campaign.

Q. Mr. President, Jimmy Carter has suggested today that your decision on holding up the signing of this nuclear agreement was based on your problems with Ronald Reagan, and he says that it has reached the point where foreign policy is being made on the basis of this Presidential Republican primary contest.

THE PRESIDENT. No. I think I know a little bit more about that treaty than Jimmy Carter does, and I know a little bit more about the negotiations that took place and materialized in that treaty. That treaty is a very complicated one. We had to take some extra time, and we did. It is a good treaty, and that is the most important thing. We have got a breakthrough by being very hard negotiators with the Soviet Union, and I am proud as President Ford that we got for the first time in some 25 or 30 years onsite inspection in the Soviet Union. No other President before me has accomplished that. That is a real breakthrough. I think if Jimmy Carter took a look at it, he would not make any such allegations about it.

Q. When will we be doing that, sir?

THE PRESIDENT. We will do it as quickly as we can get the whole thing fully analyzed, fully organized for the signing. There is no set time on it.

Q. I think the point that he was trying to say was not that it was a good or bad thing, but that he—

THE PRESIDENT. I am sorry, I cannot hear you, Mr. Jones [Philip H. Jones, CBS News].

Q. I think the point of his comment was not whether it was good or bad but the fact that you had delayed signing it for political reasons.

THE PRESIDENT. I think Ron Nessen answered that well yesterday when he said politics had no impact on whether it was signed yesterday or a week from now or 2 weeks from now.

Q. Mr. President, you said earlier that you wouldn't give consideration to Mr. Reagan as possibly holding a spot on your ticket as the Vice Presidential candidate. Can you tell us why?

THE PRESIDENT. That is very simple. Mr. Reagan indicated publicly he wasn't interested.

REPORTER. Thank you very much.

NOTE: The exchange began at 4:40 p.m. at Standiford Field. In his opening remarks, the President referred to Representative Tim Lee Carter, former Senator Thruston B. Morton, honorary chairman

of the President Ford Committee, and John Sherman Cooper, U.S. Ambassador to the German Democratic Republic.

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Remarks at a President Ford Committee Reception in Louisville.
May 14, 1976

Thank you very, very much, Thruston Morton, Ambassador John Sherman Cooper, my former colleague in the House of Representatives, Tim Lee Carter, these wonderful party people and President Ford leaders, and all of you wonderful people here in Kentucky:

I just want to thank you very, very much for the warm reception. I'm deeply grateful.

As we were flying in, I was trying to recollect how many times I have been in Louisville and Kentucky, whether it was helping to campaign for another candidate for Congress or a Member of the Senate or whether it was a gubernatorial candidate or just down here to raise money for the Republican Party, but it has been a good many times. And the net result is I think I have a few friends in the State of Kentucky and the Republican Party.

I know with all of you people out here who can do a job in the Third District and throughout the State of Kentucky, boy, if Thruston Morton says we can win here in Kentucky, I believe him, and we can.

But let me talk for just a minute, if I might, about why I think we ought to win. Thruston touched on several of the points, but I like to simplify it and say when you look at the record, it is substantively good, and it has been good for America and 215 million other Americans.

Peace, prosperity, trust—that is what the Ford record is for 21 months. If you go back to August of 1974, you will recall that there were many, many people throughout the world—many nations, many leaders, our allies—who were uncertain as to what the new administration would do. John Sherman Cooper, from his long experience in not only political life but in diplomatic circles, could tell you that our friends around the world were uncertain. They didn't know just what the policy of the new administration would be. They didn't know how to react and, of course, our adversaries were also uncertain.

But if you look at the record for the last 21 months, you will find that we have strengthened our alliances in Western Europe. NATO today, with the United States playing a very major role, is in the best shape it has ever been, and the net result is we are going to keep peace in Western Europe.

Or if you go to the Middle East, in the 21 months since I have been President, we made additional progress, significant progress towards a permanent,

just, equitable peace in that very volatile, very controversial part of the world. And you know why we were able to have a major function in getting Arabs, on the one hand, and Israelis, on the other? Because they trust this administration, they know we have the capability militarily and diplomatically. They know that we are doing the best we can to solve some of the most difficult problems in international affairs in the history of mankind, but we have made one major step in that area, and we can make some more in the years ahead.

Or if you go to the Pacific, we suffered a setback in Vietnam. Many people in that part of the world felt that we were going to withdraw and not participate. But because we have strengthened our alliance with Japan, today, along with other allies in the Pacific, the United States has a presence and a meaningful influence in the Pacific.

So, regardless of where you look in this world today, the United States can hold its head high, can be proud. We have got the military capability to convince our allies of our strength and to keep our adversaries from taking any risks whatsoever. So, this administration has achieved peace, we have it, and 4 more years will keep peace.

But let's look back, for a moment, to see where we were a year ago, as far as the economy was concerned. We were in the depths of the worst recession in the last 40 years. It had been preceded in 1974 by inflation that was 12 percent or better per annum—the highest inflation by some 50 years.

I can recall very vividly some labor leaders and some politicians, mainly on the other side of the aisle, who lost their cool and got panicky and said to the President and said to some Members of Congress, we've got to spend a lot more Federal money, we've got to add a lot of new programs, we have to do a lot of things on an emergency basis.

Well, that sounded like good politics then, but the truth is it was the wrong thing to do, and I didn't do it. I kept my cool. We fought off the Congress. I vetoed 49 bills; 42 of them have been sustained, and we have saved the taxpayers \$13 billion. And I'll add a footnote: If they send any more of those budget-busting bills down to the White House, I will veto them again and again and again.

I'm not talking rhetoric about saving taxpayers money; I'm talking about fact, and that's what counts in this ballgame.

Yes, and let's take a look at the problem of the Federal budget. In January this year, I submitted to the Congress a budget that would cut the growth of Federal spending by 50 percent, and I said that we need another tax reduction

beginning July 1 of \$10 billion—75 percent of it to go to individuals, 25 percent to go to industry.

The 75 percent to go to individuals—that is you and you and you and everybody in this country—we would do it by increasing the personal exemption from \$750 to \$1,000 per year. So we could give a tax reduction to the middle-income people who have been shortchanged over the long years.

And then the other 25 percent of that \$10 billion we want to go to industry. Why? So they can expand; so they will have an incentive to invest, to modernize, to improve their facilities; so we can become more productive, provide more jobs in this country.

So, the Ford administration has been in the forefront in tax reduction, in the reduction of Federal expenditures. And the net result of this well-balanced program—we can also promise you a balanced budget in 1979.

I was telling you how bad things were a year ago. Now, let me take a few minutes to tell you how good things are in 1976. A year ago we were in this recession. In the last 12 months we have added 3,300,000 more jobs in this country. And we have added in the last month, the month of April, throughout the United States in 30 days, 710,000 more jobs, so that's pretty good.

I know everybody in this country suffered through that 12 percent inflation that we had in 1974 when I became President. For the first 3 months of 1976, if you annualize the inflation rate, it is under 3 percent. So, from 12 percent down to under 3 percent, that is a 75-percent reduction. That's not bad, either.

So, when you add it up, we are on a surge out of that recession, and we are leading in a strong and affirmative way to the kind of prosperity that's good for all of us.

One final comment. I will never forget the day that I was sworn in, took the oath of office—August 8 [9], 1974. It wasn't a happy day. This country had gone through a traumatic experience. The American people had lost confidence. There was a lack of confidence in Government, and so we had to start to rebuild that confidence, to get the American people to have trust and faith in their President. They had to believe that the President would be frank, he would be forthright, he would epitomize integrity. I think in 21 months I have reestablished that confidence. The American people know that.

I have worked with Thruston Morton since January 3, 1949. He was a 2-year veteran when I got to Washington, and we have had a friendship over a long, long period of time. Thruston Morton knows the work that I have done, the character that I have. I have had the privilege of knowing John Sherman Cooper for—well, he was in Congress when I came and then he left and went

to India and then he came back. John knows of the work that I have done and the reputation that I have. I have had the privilege of working with Tim Lee Carter for the time that he was in Congress, and I was privileged to be a Member of the House of Representatives and the White House. I could not ask for three finer individuals to endorse my candidacy for election in 1976.

Yes, this country is on a new path, a new direction. Everything that is supposed to be going up is going up, and everything that is going down is supposed to be going down. So, we are on the road to progress in America. And this administration promises only that which we can deliver, and we deliver everything that we promise.

Now, I look out at this crowd and I know there is a lot of talent and drive and energy and enthusiasm. I am deeply grateful that you are here. I am most appreciative of your support. You're doing a lot. Betty and I are indebted to you. But let me make a commitment to you: I won't let you down in the next 4 years.

So, let's win that primary fight here in Kentucky. We're going to win in Michigan. We're going to win in Kansas City, and we're going to win in November, so we can do the job in the next 4 years.

Thank you very much.

NOTE: The President spoke at 5:15 p.m. at the Kentucky Fair and Exposition Center. In his opening remarks, he referred to former Senator Thrus-

ton B. Morton, honorary chairman of the President Ford Committee, and John Sherman Cooper, U.S. Ambassador to the German Democratic Republic.

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Remarks Upon Signing the Armed Forces Reserve Bill in Louisville. May 14, 1976

Congressman Carter, distinguished members of the military:

Its a great privilege to be in Louisville and to have the opportunity of signing this very important legislation.

In creating an all-volunteer military force, our country has strongly emphasized the very key role which our National Guard and Reserve forces play in our overall defense.

Existing law requires that a national emergency be declared prior to any involuntary mobilization of our Reserve forces. This means that these forces are not now available to augment our active forces in the very cases where

their prompt availability might indeed prevent a situation from developing into a genuine emergency.

This bill provides the President of the United States with the authority to call to active duty not more than 50,000 members of the Selected Reserve to serve for a period not to exceed 90 days. Under this legislation, we can more effectively utilize many key elements of our Reserve and National Guard forces. For example, over 60 percent of our tactical airlift and over 50 percent of our strategic airlift capability are made up of Reserve and National Guard personnel.

In signing this bill, I can assure the American people that its provisions will be invoked only when clearly warranted and, at such times, most judiciously.

I congratulate the Congress in enacting this legislation which was requested by me and the Department of Defense, and I am sure it will very strongly help and assist our overall efforts to be ready for any emergency and to preserve the peace.

NOTE: The President spoke at 6:09 p.m. at a ceremony at the Galt House Hotel.

As enacted, the bill (S. 2115) is Public Law 94-286 (90 Stat. 517).

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Remarks at the Annual Armed Forces Day Dinner in Louisville. May 14, 1976

General Van Stockum, Ambassador Cooper, Congressman Tim Lee Carter, Congressman Mazzoli, Congressman Gene Snyder, members of the Armed Services, distinguished guests, ladies and gentlemen:

I am extremely proud to be here in Louisville this evening to address the Armed Forces Committee and their many, many friends. It's a tremendous privilege and great honor to address this very distinguished group of outstanding Americans, citizens who are vitally interested, as I am, in the defense of this country.

I was happy to see that even in the midst of all of the excitement of the Kentucky Derby, one of our National Guardsmen, Sergeant Gary Wald, who was here tonight, I understand, was on the alert. I salute Gary for his quick thinking and quick action in smothering that smokebomb thrown on to the race track. And good luck to you, Gary.

You know, we could sure use a few more like Sergeant Wald to smother some of the smoke that is clouding the real issues before the American people

in 1976. But I am not here to talk about races, horses or political. I came here to tell you my deep concern and feeling about defense and military preparedness.

The first person to address this very distinguished organization at the first Armed Services banquet in 1919 was the great General John J. Pershing. Pershing spoke after the end of World War I—a war that had found America unprepared. Pershing knew what it meant to go to war unprepared. He had seen for himself the terrible price it had cost in American blood spilled in the trenches of France.

Like any other military commander, Pershing wanted his fighting forces held together as a single American unit but, at first, he was forced to split off some of his divisions to fight alongside the British and French forces.

The question is legitimate: Why was that? One very important reason: The American expeditionary force had no tanks, and in 1917 tanks were rapidly changing the nature of the battlefield. Tanks were the decisive punch in any attack in World War I.

Our fighting forces have come a long, long way since those days. Speaking here tonight, not 30 miles from the armor center of the United States Army at Fort Knox, let me say tanks today are a critical element of the American ground combat capability. As we saw, vividly saw, in the 1973 Middle East war, the tanks played a central role in ground combat.

And as part of our budget for fiscal year 1977, which I submitted to the Congress in January of this year, we are going to make sure that American soldiers have nothing but the best in this very crucial area. That budget calls for the purchase of better than 30 percent more tanks in the budget for fiscal year 1975.

We have gone from a single line of production to a second line and, if necessary, to meet the requirements, we will go to a third line. And we are now testing advanced tanks to select the very, very best that can be provided to the American soldier.

We can also look with great confidence to our substantial arsenal of the world's most effective antitank systems, both air as well as ground. American technology and American skills have made us the foundation of the free world's military might, but we must use that great resource to stay ahead.

Research and development is an important, very crucial element, and in my fiscal year 1977 budget, I recommended a billion dollars more, or an 11-percent increase in Defense Department research and development. With this kind of money, we can do the job.

If you look at the record, you will find that we have laid the keel for the

first of a series of new missile launching submarines, the Trident missile fleet, which will be the foundation for a strong and technologically superior force through the 1980's.

We are developing new fighters and new intercontinental ballistic missiles for the 1980's and a cruise missile for our air and naval forces.

The B-1 is approaching its final testing, and every test so far is on the plus side. And I have recommended the procurement funds for the 200-plus aircraft which will be phased in to replace our B-52's.

And I want to say this to all of you: We owe our soldiers—every one of us, those in civilian life or those in military life—we owe our soldiers, sailors, airmen and marines the finest tools, the finest equipment, the finest leadership that this country can provide. And we are going to provide it.

That goes for all members of the total force that protects America, both active and Reserve components. The National Guard and Reserve forces are a great part of America's fighting team, and I intend to continue improving the combat power and the readiness of that force.

Within the last 2 hours, as some of you may know, I signed a law, a bill making our National Guard and Reserve units an even more significant part of our total forces.

Until today, it took a national emergency or an act of Congress to put the Reserves into action. Under this new law, the President will be able to mobilize up to 50,000 of selected Reserves for a period of 90 days. Of course, we all hope and we all trust that such an order will never have to be given, but if it is, we can now count on the effective deployment of a significant number of reservists to participate with our active duty personnel on the defense of this great country.

This means that our Reserve and National Guard are being given an increased responsibility, a greater importance in our total force complex, so it is more important than ever that they be equipped and treated as first-class units. And Secretary Rumsfeld and I are going to see that this advanced equipment is available to your units throughout the country.

I was glad to find that the Kentucky Air National Guard has just replaced their outmoded R-F 101's with one of our most modern reconnaissance fighters, the R-F-4-C. This is the type of improvement that we are aiming to achieve across the board, and we will achieve with the support of the Congress.

Organizations such as those represented here in this room tonight—the 100th Army Reserve Division, the Kentucky Air National Guard, the Retired Officers' Association and the Reserve Officers' Training Corps—are a very integral part of the fighting team that deserves America's support.

Throughout our history, America has shown its ability to raise great fighting forces on very short notice. In World War I, for example, within 18 months General Pershing was able to produce an army of some 2 million strong that decisively defeated troops hardened by 4 years of war in Europe. In fact, the speed at which America has mobilized has been matched only by the speed with which America dismantled much of its military establishments time and time again, tragically leaving us ill prepared for the next threat to our priceless freedom.

Today, America can no longer afford to rely on the roller coaster approach, the peak and valley way we have done it in the past in handling our national defense capabilities. The awesome speed, the technology of modern warfare mean we would not have 18 months in the decade of the seventies or the eighties or the nineties. We wouldn't have 18 months. I think the record is clear we wouldn't have 18 days to prepare our own defenses.

If we are forced to fight again, the next war is likely to be come-as-you-are. Instant readiness is another term. We are strong today. We are well-prepared to deter war as we have. But if deterrence should fail, we are well-prepared to control the conflict and to avoid nuclear confrontation.

Our job now is to make sure that America remains strong, and I promise you as Commander in Chief and as President that we will remain strong in the future, as we have in the past.

In my budgets for fiscal year 1976 and 1977, I took the necessary steps to stop the downward trend in American military spending for which the Congress must bear the exclusive responsibility. That trend in Congress has reduced the defense share of our Federal budget to its lowest level since fiscal year 1940 and the lowest share of our gross national product since before the Korean war.

This has come to pass for one very specific reason—because the Congress over the last 10 years has reduced defense budget proposals of three Presidents by some \$45 to \$50 billion.

When I was in the Congress, I fought that trend for some 25 years. For 14 of those years, I had the privilege to serve on the House Appropriations Subcommittee that reviewed the total defense budget submitted by Presidents from 1953 to 1965. For 14 years, for 5 months a year, 5 days a week, 5 hours a day, I listened, along with the other members of the subcommittee, to Secretaries of Defense, Chairmen of the Joint Chiefs of Staff, all the Secretaries of the Army, the Navy, the Air Force, as well as the top generals and admirals in all of the services.

It was a great experience and gave me a foundation and a background I think

unmatched by anybody in the Congress. What I learned at that time confirmed the lesson of my wartime experiences in the Navy—the lesson that peace demands preparedness and that weakness invites war.

And in my 2 years as your President, I assure you that I have fully utilized all of this background and experience in putting together, as your Commander in Chief, programs for national defense which produce two of the largest peacetime defense budgets in the history of the United States.

This year, with that budget that I submitted of \$112 point some billion and \$101 billion in spending, we must not let the Congress do as they have done in the last 10 years—slash the Defense Department budget for fiscal year 1977. And I call on your help to prevent this from happening in 1976.

Several weeks ago, just to make the point with many of my former colleagues in the Congress, I bluntly warned the House as well as the Senate if the defense budget is weakened, it will be vetoed. And I will go to the American people to make sure that the blame is put where it belongs—in the House as well as in the Senate.

Now, with a budget of this capability, we all recognize that the United States, if we get the budget from the Congress, we will have a national defense program that will meet all of the missions, all of the challenges, all of the problems that we would expect, anticipate, or put on our doorstep in the future.

We must stay prepared. We must keep our forces strong to keep the peace. What does that mean? That means having the best soldiers, the best sailors, the best airmen, the best marines, and giving them the finest training and the most effective equipment and the most outstanding leadership that we have in this great country. That means setting a firm course for the Federal Government not just in the defense budget, but in all the areas where we can help to keep America the greatest nation in the history of mankind.

President Eisenhower, when he was General of the Army, once remarked that our fighting forces are just the cutting edge of a great machine. The inspiration and power for that machine, he said, are found in the hearts of our many citizens. And the spiritual powers of a nation—its religious faith, its self-reliance, its capacity for intelligent sacrifice—Ike called these the most important stones in any defense structure.

Our defenses are strong not just because their fighting or cutting edge is sharp, but because America's spirit is unbeatable. America is prosperous, peaceful, and proud on its 200th birthday. All of us must do our part to see that America remains strong in every respect.

We will do our part. America will stand ready to meet the challenges and

the responsibilities of our third century not just for us, but more importantly for our children and our children's children. It is our obligation. We will do it.

Thank you very, very much.

NOTE: The President spoke at 7:33 p.m. in the Archibald Room at the Galt House Hotel. In his opening remarks, he referred to Gen. R. R. Van Stockum, USAF (ret.), chairman of the 50th annual dinner, and John Sherman Cooper, U.S. Ambassador to the German Democratic Republic.

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Remarks During a Michigan Whistlestop Tour. May 15, 1976

[1.] FLINT (9:18 a.m.)

Let me say at the outset how wonderful it is to be back in Michigan, our home State. Betty and I are deeply grateful for this wonderful turnout in Flint. We have been here many, many times, and we are deeply appreciative for your reception and the help and assistance we have gotten from the people in the Flint area over the years. And we are especially grateful for the tremendous turnout.

I ask you to help us on Tuesday. We must win in Michigan, and Flint is very important.

Let me tell you why I think we ought to win. If you will reflect a bit back to August of 1974, when I took the oath of office as President of the United States, this country was having many, many troubles. There was a loss of confidence in the White House itself. We were on the brink of an economic recession, the worst in 40 years, and inflation was at 12 percent or higher. Our allies around the world, because of our domestic problems, were uncertain as to whether the United States had the will and the capability to meet its responsibility of leadership in the free world. Our adversaries around the world were uncertain as to whether we would continue one course of action or another.

In the last 21 months I think Jerry Ford has done a good job, and I want your help. Of course, I have had a lot of help from First Mama, too. [*Laughter*] But let's take a look at where we are today.

In the first place, because of my openness, my candor, and my proven integrity, the American people know that they have a reason to have the feeling of confidence in the White House and the President of the United States.

This administration has achieved the peace that we have today because of our military capability and our diplomatic skill. And we have the capability,

militarily and otherwise, to maintain that peace in the future, and we are going to do so.

Let me remind all of you that for the first time in 20 years a President can either seek reelection or seek election and say that this country is at peace. And I can say to you without any hesitation or reservation that we do have the capability today, we will have it tomorrow, to maintain that peace, and with this administration for the next 4 years, we will.

Let's take a look at the economy. I know Michigan has had a tough time in the last 12 months. We have had difficult times around the United States, but I inherited the situation. Where do we stand as far as inflation is concerned? When I became your President, it was 12 percent or higher; for the first 3 months of 1976, the rate of inflation has been reduced to 3 percent or less. That is progress, and we are going to make more of it in the future.

A year ago today, we were having serious employment problems, and we still have them in some areas of our country, including the State of Michigan. But in the last 12 months we have added 3,300,000 jobs in the United States. We have 87,400,000 people gainfully employed, an alltime record.

Unemployment is going down, and employment is going up, and we are going to keep those trends going with my policies. As a matter of fact, everything that is supposed to be going down is going down, and everything that is supposed to be going up is going up.

One final comment: This administration has taken the position from the very day that I took the oath of office, we will promise no more than we can deliver, and we will deliver everything we promise. That is a good program, and I want you to support it.

With your help on Tuesday, we can send a message across the whole United States. And if you give me the support that I think this record deserves, I promise you that in the next 4 years I will not let you down; I will continue the good job that we have done for the last 21 months.

Thank you for your help.

[2.] DURAND (10:17 a.m.)

Before I have an opportunity to say a few words, Betty and I would like to come down and shake some hands, and then we'll come back and have an opportunity to say hello. Let me just say at the outset: Gee, it's nice to be back home. I appreciate very, very much, as Betty does, all of you being out here in Durand. Thank you very, very much.

[At this point, the President left the train to greet the community welcoming committee and members of the public audience. Upon reboarding the train, the President made additional remarks as follows:]

Betty and I are deeply grateful for this wonderful welcome back home, and we thank you very, very much.

This is a wonderful train trip through the heart of Michigan. It's just for 1 day, but it's the beginning of a great trip from now to November 2, when we are going to win the election.

I want to thank particularly the people who have helped here in Durand and all of the surrounding area.

But, let me say very emphatically, I need your help on Tuesday, and if you give us the help that I know you will, it will be a tremendous impact throughout the country. I won't let Michigan down. Don't you let me down on November 2 or next Tuesday.

Now, let me take just a minute to tell you why I want you to support me. First, when I became President in August of 1974, this country was in deep trouble. There was a lack of confidence in the White House. There had been scandals. There had been a tremendous disaffection by the American people.

Secondly, we were suffering inflation of 12 percent, and we were on the brink of the worst economic conditions for the last 40 years. Unemployment was about to go up; employment was about to go down. And our allies abroad were uncertain, and our adversaries were concerned as to what we might do under the circumstances.

What are the results of 21 months of Jerry Ford as President of the United States? We have restored trust in the White House. We have been open. We have been candid. We have been forthright. We have talked straight to the American people. And the net result is there is a restoration of trust by the American people in their Presidency. I think that deserves the support of the American people.

But let's take a look at the economic circumstances that have taken place in the last 21 months. We have reduced the rate of inflation from 12 percent to under 3 percent. That's a 75-percent cutback. That's a good record, and it ought to be supported by the American people.

Twelve months ago, we were in the worst economic conditions this country had had for 40 years, but what has happened in the last 12 months? We have added 3,300,000 jobs. We have now in America 87,400,000 people working, an alltime high. It's not good enough, but it is a record. And we're going to do better in the next 4 years with your help.

Let me say this country is at peace. We achieved it, we have got it, and we are going to keep it with a Ford administration for the next 4 years.

Let me just make this final comment: Those who have known me in Michigan in the 27 years that I have been honored to serve the people of this State, this country, I have always had the philosophy that you should not promise more than you can produce and that you ought to produce everything that you promise. That has been the key word of my public life—straight talk, a feeling that I represented you, and that I did the very best job that I possibly could.

We have had tough times the last 21 months. I have talked straight to the American people, they believe me, and I think they want the kind of trust and peace and prosperity that the Ford administration can give in the next 4 years.

I ask for your help. I think I have earned it. And I will continue to be the kind of good President that you want for the next 48 months.

Thank you very, very much.

[3.] LANSING (11:28 a.m.)

Good morning, everybody. Betty and I are delighted to be in Lansing. We're delighted to be home in Michigan. We thank you for coming out in this beautiful Michigan weather. [*Laughter*] We thank all the bands. We thank all of you.

You know, this train ride, which started in Flint and is going to end up in Niles, goes through the heartland of Michigan. It's a train ride that is the beginning of victory in Kansas City and November of 1976.

Just a few years ago President Harry Truman won with a whistlestop; President Eisenhower won with a whistlestop; President Ford is going to win with a whistlestop.

Let me just express Betty's appreciation as well as mine for all of you coming here, and I want to ask you very seriously for your help and assistance on next Tuesday. It is very critical that we maximize our vote in that election, and the help that all of you can give will be very significant—the help that you yourself give, the help that your neighbors give, your friends, and all of the people that you know.

And as you talk to your friends, let me give you a few ideas why they ought to vote for me. I think I have earned the right to be President for the next 4 years.

If you will go back to August of 1974, this country was in a tough situation. The American people had lost the confidence of the White House. The American people were concerned about economic conditions. We had inflation at

12 percent. We were on the brink of an economic recession, the worst in 40 years. People were concerned about where we were going in foreign policy. Our allies were not certain as to the will and as to the direction of the United States. Adversaries were concerned as well.

In the last 21 months we have turned things around. We have taken the situation from a lack of trust and a lack of confidence, so the American people today know they have a President who is frank, who is honest, who has integrity, is forthright. And the net result is the people can say they have trust in the White House, and they trust Jerry Ford.

We have made a lot of progress in trying to solve our economic problems. We are not home yet, but let me just give you some indicators of the progress we have made. Twelve percent or more inflation in 1974—the first 3 months of 1976, 3 percent—we have cut the rate of inflation by 75 percent, and that's a darn good record.

Secondly, a year ago unemployment was almost 9 percent. We have turned it around. In the last 12 months, we have added 3,300,000 more people with jobs in America, and we are going to do better and better in the months ahead. Just the month of April this year 710,000 more jobs in America, and you can see, I can see, all Americans can see that everything that is supposed to be going down is going down and everything that is supposed to be going up is going up and the Ford administration, Jerry Ford, can take credit for this progress.

One final comment: We've got trust, we're making things better here at home, we're achieving the kind of economic progress that is necessary, and we have got peace in America today. We have turned it around from a war that we were in a year ago to peace today, and with the programs that we have of military capability and diplomatic skill, we're going to keep the peace for the next 4 years.

I had the privilege of representing some wonderful people just west of here for almost 26 years. I always believe that you should promise everything you can deliver and deliver everything that you promise, and I have done it as your President for 21 months and will do that for 4 more years as well.

As I said at the beginning, Betty and I are just pleased to be back here in Michigan with our hometown or home State folks, and we are counting on you. It's a critical election on Tuesday, and let me say this: You won't let me down, and Jerry Ford won't let you down for the next 4 years.

Thank you very, very much.

[4.] BATTLE CREEK (1:58 p.m.)

Good afternoon. It is great to be in Battle Creek, and thank all of you for coming out. We love Michigan, we are glad to be back home.

Betty and I started this train trip from Flint to Niles across the heartland of Michigan, where we have many, many friends over a long, long period of time, so we have just had a wonderful reception, and this one in Battle Creek is tremendous. And let me say that this train trip through the heartland of Michigan is the beginning of a victory in Kansas City that will end up with a victory on November 2.

You know, I'm an old Michigander—and I mean literally old. I played football so long ago back at Ann Arbor that it was back when the ball was round. [Laughter]

But I have been honored and pleased to have on this trip with me two of the University of Michigan's outstanding coaches, two friends of mine whose teams I have admired and cheered for on television and otherwise, and I'm so pleased to have with me Bo Shembeckler, the great football coach at the University of Michigan. And then, we also have with us that fine, fine coach of the University of Michigan basketball team, Johnny Orr. Thank you, Johnny.

You know, the Ford candidacy has got the kind of momentum that the University of Michigan football team had last year and the kind of momentum that the Michigan basketball team had. We're going to keep going, but with all apologies we're going to win the final one November 2, too.

But let me say a word or two why Betty and I are here, why we want your vote. I think I have done a good job the last 21 months. Refresh your memory, if you will.

In August of 1974, this country was in a very difficult situation. For reasons we all know, the American people had lost their confidence in the White House. There had been scandals in very high places. We all know that we were suffering at that time from inflation at the rate of 12 percent a year, and we know that we were on the brink of the worst economic times in the last 40 years, a serious recession.

We also know that in August of 1974, our allies abroad were uncertain as to whether the American people and the American Government would meet its responsibilities on a worldwide basis, and our adversaries abroad were likewise uncertain as to their relationship with the United States.

When I took office on August 8 [9] of 1974, it was not an easy job. We had a lot of things to do. We had some real tough jobs to handle and some very difficult and formidable obstacles ahead of us.

BYSTANDER. And you blew it.

THE PRESIDENT. We blew it in the right direction, young man, and those of you who don't agree—and if you would go out and look for a job, you would get one.

Now, let me say what we have done. We have taken inflation from 12 percent down to less than 3 percent, and that's a good record by any standard. And in the last year we have added 3,300,000 more people on the payrolls, and we added 710,000 more on the payrolls in the month of April. And we're going to get more and more people gainfully employed, even though in April of this year we had 87,400 more people employed in the United States than any time in the history of America. That's a darn good record.

And then, as we look around the rest of the world, I can tell you from my personal experiences that the United States of America—215 million of us—we are respected as a nation because we are a leader in the world with our allies on the one hand, and we meet the challenges of our adversaries on the other. We have got peace now, we achieved it in the last year, and we are going to keep the peace through strength in the years ahead.

Therefore, when you look at the record, I think it's a record that deserves support. I think it's a record that I can come to you and say, "Jerry Ford has done a good job, you ought to keep him on for the next 4 years."

So, Betty and I are delighted to be in Battle Creek. We are most appreciative of your coming out on this Saturday afternoon. We thank you for what you have done in the past, and we urge you to go to the polls on Tuesday. We urge you to get your friends to go and vote for a record that I think will justify your support and will give America the kind of leadership that it deserves for the next 4 years.

Thank you very kindly.

[At this point, the President left the train to greet the community welcoming committee and members of the public audience. Upon reboarding the train, the President made additional remarks as follows:]

Gee, you have been just a great audience here in Battle Creek, and it has made Betty and me feel so wonderful to come back home and see such wonderful people and to go through some of the areas of the State that we visited over the years and had an opportunity to see the blessings of Michigan.

Really, we are going to do our very best between now and November 2, and starting next Tuesday to get those votes, to get those delegates, and to get those votes in November. And with your help next Tuesday, we will win, period.

I would ask First Mama to make a speech, but I understand the train is about to pull out, and I am afraid that if I let her speak it will make me look bad. You know, whenever I have not got time to campaign—and I do have to be President a good share of the time—I send Betty out to get my votes up to her polls. And she does a good job of it, and I am very, very grateful and thankful.

You better get on, Rick,¹ because we are leaving. He's a good photographer, but I don't want him to get lost as we move ahead.

Real nice to see every one of you. I see so many people I have known over the years, and I just wish we could stay longer, but we do have to get to Kalamazoo and Niles. And we are going to end up up at Holland in the Tulip Parade.

So, we have covered a lot of territory, or will by the time this day is over. Nice to see you.

Thank you very much.

[5.] KALAMAZOO (2:48 p.m.)

As soon as First Mama gets here, we'll say a few words. Here she is. You can see who gets all the cheers in the Ford family. [*Laughter*]

Let me say that Betty and I are very grateful for the wonderful reception we have had in the State of Michigan, starting in Flint, and here we are in Kalamazoo. Of course, the further west we get in the State, the closer to home we get, so we know many, many people here in Kalamazoo. It's just great to be back in Michigan and have an opportunity on this train ride to see as many of our friends as we have.

You know, that train started in Flint; it's going to end down in Niles, Michigan. It's a train that's going to go from here to Kansas City. We're going to win in Kansas City, and we're going to win in November just as well.

I would like to take just a few minutes, if I might, to first ask for your support and tell you why I want you to vote for Jerry Ford. You ought to have some good reasons, and let me tell you what they are.

When I took the oath of office in August of 1974, this country was having all kinds of trouble. There had been a loss of confidence in the American people as far as their National Government was concerned. There had been scandals in high places. The American people were uncertain as to the leadership of this great country.

At the same time, we were on the brink of an economic recession that was the worst in 40 years. This country was suffering in August of 1974 inflation at a rate of 12 percent or more. And in August of that year, our allies abroad,

¹ Ricardo Thomas, White House photographer.

whether it was in Western Europe or in the Pacific, were uncertain as to the leadership in the White House, and they were uncertain of the will and the resolve of the American people. And our adversaries abroad could have, if they were so disposed, might have taken advantage of this uncertainty.

In the last 21 months I have tried to correct those problems. And if you look at the record, Jerry Ford has done a good job, and he wants the job for another 4 years to do even a better job for all of you Americans. My program for the last 21 months has been one of peace, prosperity, and trust. We have the peace; we achieved it. We have the military capability; we have the diplomatic skill to keep the peace that we have now. And I pledge to you we will make a maximum effort, and we will be successful in keeping the peace in the future for this country and for the world as a whole.

Let me say a word about the progress we have made in tackling effectively the economic problems that I inherited. I told you about 12-percent inflation. For the first 3 months of 1976 the rate of inflation on an annual basis has been under 3 percent. That's a 75-percent reduction in the rate of inflation. That's a darn good record, and we ought to be proud of it.

But, as I said, shortly after I took office we were hit with the worst economic recession in 40 years. Unemployment went up, employment went down. But let's talk about what has happened in the last year. A year ago this recession had hit us very badly, but since last April and May we made tremendous progress.

In this 12-month period we have added 3,300,000 more jobs in America, and in the month of April of this year 710,000 more people got employment, got jobs in America. That's a good record. We ought to be proud of it. And according to the Department of Labor, that reported to all of us a couple of weeks ago, 87,400,000 American people are gainfully employed in America today. It's the highest number in the history of the United States. That's good, but in the next 4 years we will do better every year. I pledge that to you as the President of the United States.

So, Betty and I are here as your President and First Lady—some of you call her First Mama. We would like to serve you for the next 4 years, and we would like to do it on the basis of a successful record. The election next Tuesday is a very important election. It could give us the momentum that's needed and necessary to win in Kansas City. It would give us the momentum to win the November election.

One pledge that Jerry Ford has always made when I had the privilege of serving the Fifth Congressional District—Kent County, Ottawa County, Iona County, and parts of several other counties—was that I was open, I was forthright,

I had an integrity I think was unmatched by anybody in public office, and as President of the United States I have followed those same basic characteristics. The net result is that I can say to you that the American people have good reason to feel that the person in the White House has restored public confidence.

I am honored and privileged to have with me on this trip your great Senator Bob Griffin and your fine Congressman Gary Brown, who both support me.

One thing that I always believed in public life: You should promise only that which you can deliver, and you should always deliver what you promise. So, I promise you in the next 4 years peace, prosperity, and trust.

I want your vote on the basis of the record on Tuesday, so we can keep that momentum going.

Thank you very, very much.

We also have your great University of Michigan basketball coach here, who's a good friend of mine and fully supporting me, Johnny Orr. I hope my record is as good as his.

Betty and I will come down and shake hands with as many as we can, and I don't have the time to shake hands with everybody, but I do want to thank each and every one of you.

Eddie Hutchinson, nice to see you. Eddie Hutchinson who has been one of the fine, fine Congressmen from the Fourth Congressional District. Eddie, I appreciate your endorsement and your support.

[At this point, the President left the train to greet the community welcoming committee and members of the public audience. Upon reboarding the train, the President made additional remarks as follows:]

Let me just add a note as we leave Kalamazoo. When I first ran for the Congress back in 1948, a great American, a Democrat by the name of Harry S Truman, whistlestopped across the United States, and he won. A couple of years later another great American, another President, Dwight D. Eisenhower, better known as Ike, whistlestopped across the country. Those were good ideas, one for a Democrat and one for a Republican. I think it is a good idea for President Ford, and we are going to win in 1976.

Thank you all very, very much.

[6.] NILES (4:12 p.m.)

Let me just say it's been a great day. Betty will be out in just a minute. We kept going down this track, and right before Niles the sun came out. All of you wonderful people, thank you very, very much.

Well, as I said, Betty and I have had a wonderful day, starting in Flint

and ending up here in Niles, on this whistlestop tour through the heartland of Michigan. The idea of this trip today I think took me back to a campaign by a great Democratic President, Harry S Truman, when he whistlestopped across the country, and a great Republican President, Ike Eisenhower, and both of them were successful. So, this train trip through the heartland of Michigan is going right on to Kansas City, and from Kansas City we are going to win in November.

Now, we have got a big election next Tuesday. I think we have done a good job in the last 21 months, and I want your vote next Tuesday.

Let me tell you what we have done in the 21 months that I have been President. Let your mind go back to the tough days in August of 1974. There had been a tremendous loss of confidence by the American people in our government, in the White House. We were on the brink of an economic recession, the worst in 40 years. Inflation was at the rate of 12 percent per year. In foreign policy, our allies were uncertain as to what we were going to do and our adversaries were in a position where they might have taken advantage of the uncertainty here at home.

When I took that oath of office on August 8 [9], the United States needed some leadership, both at home and abroad. We started out by setting forth what we were going to do to correct our economic problems. We have set a very steady course, and the net result was, inflation, which was 12 percent in 1974, is under 3 percent today. That's a good record, and we ought to be proud of it.

And then, a year ago, we were in the depths of a recession. Again, there were those throughout the country that wanted us to press a panic button—add a lot of people to the Federal payroll, approve budget-busting bills that would have increased the inflationary pressures.

But, instead, I decided that the right thing to do was to hold firm, to veto the kind of legislation that was sent down from Capitol Hill. And, as many of you know, I vetoed 49 bills; 42 of them have been sustained, and we saved the American taxpayer \$13 billion. That's a darn good record.

But then, a year ago, we started our climb out of the recession. In 12 months, from last May to this May, we added 3,300,000 more jobs in America, 710,000 more jobs in May [April] of 1976. And the net result is that in May of this year we had 87,400,000 people gainfully employed in this country, an alltime record, and we ought to be proud of that.

But, the third point, the United States is at peace today. We have the military capability to maintain the peace. We have the diplomatic skill to convince our allies that we are strong and our adversaries that they ought to be respectful of

the United States, which they are. We have got peace today, we are going to keep it, and if you give me 4 more years, we will keep it for 4 more years.

As you know, I had the great privilege of representing the Fifth Congressional District just a few miles north of here for almost 26 years. The policy that I followed for that period of time was that we had an open door, we were candid, we emphasized integrity, we were forthright, we called them as we saw them. We never promised more than we could deliver, and we delivered everything we promised. And that is the way we have run the White House for the last 21 months, and that's the way it will be run for the next 48 months if you give me the support that we need on Tuesday, and the support that we will get between now and November.

Well, Betty and I can't thank you all enough for being here at Niles and welcoming us warmly and giving us the opportunity to say a few words to you. We hope we have earned your support. We believe we have done a good job, and I ask you for your support next Tuesday so I can be the Republican representative in the great contest that will end on November 2.

I've worked hard. We've done the right thing. We've got America on the right track. We will keep it there. I can assure you that Jerry Ford, if you give me your support next Tuesday and next November, I won't let you down for the next 4 years.

Thank you very, very much.

NOTE: The President spoke from the rear platform of Amtrak's "Presidential Express" train at the Amtrak Station in each community on the whistle-stop tour. At each stop he left the train to greet the community welcoming committee and members of the audience.

Following the whistlestop tour, which ended in Niles, the President traveled by helicopter to Holland, Mich., where he participated in the Tulip Festival Parade.

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Remarks on Arrival at Grand Rapids, Michigan. May 15, 1976

LET ME thank all of you for coming out today. Betty and I have had a very, very thrilling day going from Flint to Niles on a train, and then we just had a tremendous reception down at Holland at the Tulip Festival. But it's so nice to be back in Grand Rapids, our hometown. We have the First Mama with us, and we have Susan. You want a date, Susan? [*Laughter*]

But as we were flying with the helicopter from Holland over to Grand Rapids, my memories went back to 1948 when I first made the gamble to run for Congress from the Fifth Congressional District. And at that time I ap-

pealed to a lot of Republicans. I appealed for support from a lot of Independents, and I asked for the help and assistance of a lot of Democrats. And the net result was I think I got a lot of all of them, and for that I am deeply grateful, because that was the beginning of my opportunity to serve the people of Grand Rapids, of Holland, Grand Haven, all of the Fifth Congressional District.

And now, some 27 years later, I am asking for the help and assistance of all of the people of this part of Michigan and the great State of Michigan. This includes all of the Republicans who believe in the philosophy and believe in the record that I have tried to carry out in 21 months. It includes all of the Independents in our great State of Michigan and the Democrats. And may I thank the Democrats who are here, including Dick Vander Veen,¹ including the others who have been helpful over the years in supporting what we have tried to do for the Fifth District, the city of Grand Rapids.

This is our hometown, and when I think of the days at Madison School, the days at South High—of course Betty went to Central—but when I think of the wonderful people that have been so kind to all of us over the long, long period of time, we have done the best job we could, whether it was in Congress, whether it was Vice President, and for 21 months as President.

It's a great, great part of this country where we are now, and there are some wonderful people that we have tried to help, some wonderful people that we have tried to represent as best we could, and some people who have supported us through thick and thin.

Our hearts and our affection—they are all with you in this part of our great country. To see you all here on this sort of disagreeable night, it makes me—and I am sure Betty and Susan—feel like we are kind of welcome back home.

So, I thank you for all of the support over the years. I thank you for what you can do to help us on next Tuesday. We have never let you down. In the future—and we will never let you down in the future as President of the United States.

Thank you very, very much. It is nice to see you all.

NOTE: The President spoke at 7:14 p.m. at the Kent County Airport.

¹ U.S. Representative from Michigan.

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**Exchange With Reporters on Arrival at Freeland, Michigan.
May 16, 1976**

IT IS great to be at the Tri-City Airport of Midland, Saginaw, and Bay City. We have had a great day and a half in Michigan. It's very encouraging, and we are very optimistic.

As I say on many occasions, I think the voters of Michigan will respond to what we have done. We have produced the peace. We have turned the economy around, and we have restored the faith and trust of the American people. Those are all strong and, I think, very sound assets for America in this very difficult time.

I will be glad to answer any questions.

REPORTER. How big do you think you might win by on Tuesday, Mr. President?

THE PRESIDENT. I never make a point spread. I think we will do very, very well. I think the people of Michigan know what we have done under the most difficult circumstances, and we are counting on their support.

Q. Mr. President, can your campaign survive a loss in Michigan?

THE PRESIDENT. Ann [Ann Compton, ABC News], we aren't planning on it. So as long as it isn't planned on, doesn't take place, I really don't think it is a matter that we ought to be concerned about.

REPORTER. Okay, thank you.

THE PRESIDENT. Thank you all very, very much.

NOTE: The exchange began at 2:56 p.m. at Tri-City Airport.

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**Remarks at a Bicentennial Celebration in Saginaw, Michigan.
May 16, 1976**

Thank you very, very much, Al Cederberg—my good friend Guy Vander Jagt, the Congressman from the western part of the State is here—George Olson, Mr. Ferguson, Mr. Kennedy, Reverend Beck, distinguished guests, ladies and gentlemen:

May I say at the outset, I hope I have as many friends in this audience as George Olson and Al Cederberg have. [*Laughter*]

It is a great privilege and pleasure for Betty and Susan and myself to be here

in Saginaw Township with so many, many fellow Michiganders, who are proud of their birthright and who are celebrating what is good and great about America. Saginaw Township—I have known from talking with Al Cederberg and others—is a young, vibrant community with a very real sense of purpose.

In the planning and the organization of the Bicentennial celebration, you have brought people together in a wonderful community spirit and a community effort, and for that I congratulate each and every one of you.

In the tradition of America, you have established new links between families and between neighborhoods. You have given your township what is so vitally important for so many communities that are searching for it, and that is the feeling of identity as well as a common purpose.

If I might say, in my own way in the Oval Office I have been trying to do precisely the same thing. On August 8 [9] of 1974, when I was sworn in as your President, I said to the American people our long national nightmare was over, and it is, my fellow Michiganders. In the last 21 months, we have dispelled the climate of darkness and despair that hung over this troubled Nation, and we have let the sunshine in.

I did not seek this office, as all of you know, but neither did I shirk from it, and I never will in the future. I said that I would promise only what I could deliver and deliver everything that I promised, and as you look back over the 21 months, that is precisely what we have done.

I said I would be candid and forthright, I would be open and frank with the American people, and I have been. I said that a policy of firmness and commonsense would bring us out of our economic recession; it has.

When I took office, inflation was running as high as 12 percent throughout our great country. The prophets of doom and disaster said we were on the verge of a collapse in America and that only massive Federal spending programs would save us.

Under the pressure from all sources, I didn't panic because I had a lot of faith in all of you, and I knew that you had the faith and the trust in me. I fought the attempts of many Members of Congress to spend more and more to create bigger and bigger deficits that would have led us to higher prices and more layoffs in our economy. Instead, despite the pressure from many sources, I vetoed 49 bills that Congress sent me, and thank goodness 42 of those were sustained, saving the American taxpayer \$13 billion. If I could personalize it, it would save each family in America some \$200, and that came in mighty handy.

But let me say this: The ballgame is not over yet; this session of the Congress is still going on. And I promise you that during this session of the Congress, I

will hold this country on its course of full economic recovery by using my veto power again and again and again for our country's best wishes.

Why do I do this? I think the answer is very, very simple. I want to make sure that your tax dollars work as hard for you as you did for them. And I know how hard each and every one of you did work for those tax dollars, and your government better spend them just as well as you can spend them.

But as we trace the last 21 months, let me say a word or two. We have reduced inflation by more than half. We have increased national employment by 3,300,000 people since last June. More men and women in America are working today, are gainfully employed than ever in the history of the United States—87,400,000. You have my promise that I am going to keep the pressure on until every American who wants a job has a job, a rewarding, permanent job with a real future instead of a dead-end, temporary, make-work job created by the government itself.

Let me say a word or two about taxes. I am no expert on the situation in Saginaw or otherwise in this area, but I can talk with some authority about the Federal Government. I promised to you that we would have a tax cut last year. We got it at the Federal level. I promised to you that we are going to work hard to get the Congress on July 1 of this year to give you another \$10 billion tax cut.

Why do we do that? Because I have an abiding faith that you can spend your money much better than your government can for you and your family and your community. That is what we want.

If you look at the record, the middle-income people of this country have been shortchanged in the last few years by Federal tax policy. And in the recommendations that I made to the Congress in January of this year, the one, the quickest, the best way to change that was to propose that increase from \$750 a person to \$1,000 in personal exemptions.

You don't have to worry about Al Cederberg supporting that, but boy, put the pressure on the Congress, because that is the way we can give you and the middle-income people the kind of a tax break that you need and that you have earned and that you deserve.

May I say my administration is determined to stop the extension of government intervention, government interference, and government control in your daily lives. As a Congressman, as Vice President, and now as your President, I have never lost sight of one very basic fact: A government big enough to give you everything you want is a government big enough to take from you everything you have.

I have tried to follow a course as your President that has led to a strong and rising prosperity, a renewed trust, and a lasting peace. Throughout 27 years of my public service in the Nation's Capital, my total commitment was, is, and always will be a policy of peace through strength.

Because we are militarily powerful, because our national defenses are strong enough to meet any challenge, to carry out any mission, America is at peace today. We must maintain that peace. We must advance the prospect for peace among all nations and make certain that the legacy of peace continues for our children and our children's children in the years ahead.

Why do we sacrifice? Why have we of my generation, and the generations before us and the generations that have followed, sacrificed? We work hard. We save. We do our very best. It is to make the generation that follows us a happier, a healthier, a more prosperous generation. That is what my parents did, that is what I am trying to do for my children. And as I look at this great audience, I know that every grandfather and every grandmother have done it for their children, and you who have children today are doing exactly the same thing.

That is the history and the tradition of this great country, and this is what each one of us, as we make our decisions—whether it is in our work or our church or in our government—must say to ourselves: How can I make a better and better America?

So, as I come before you today, I seek a mandate from you to finish the very important job that I have begun and done the best that I could for the last 21 months—to complete the restoration of faith and trust in the Presidency of the United States.

I have been honest with you. I have been candid and forthright, and so is my campaign for the highest office in this great country. I am proud of my country. I am proud to be an American, just like every one of you are. And in the process of doing what we can, I want to lead our country away from a wasteful preoccupation with what went wrong with America and get on with the job of making things right in America.

You have shown here in this Bicentennial weekend, in everything you do in Saginaw Township, that love of country and belief in our ideals not only exist but thrive in the United States.

In the future, I see an America where the spirit fills each and every one of us with renewed confidence to face the challenges before us; an America dedicated to the simple but enduring values that give a nation and give its people

integrity; an America where life is valued for its content as well as its comforts, and where government serves but the people rule.

If you share that vision of America which I have, I urge you to go to the polls next Tuesday, join with me in making this Bicentennial Year—not only in Saginaw Township but in all of the other 39 governmental areas in this great county—not only a year of celebration but of determination where, once again, we show the world that American dream which we all have had in our lifetime is best achieved when we are wide awake and where we, as Americans, are moving forward.

Think for a moment, if you will, some 200-plus years ago, some 3 million Americans fought for freedom in some 13 poor, poor Colonies. They took on a government 1,000 or more miles away, but they had the courage and the vision and the determination, and they won that battle for what we have today. And they gave us in this country the greatest Constitution, the most wonderful document for the governing of people in the history of mankind.

We believe in it. We can make it work. And the Bicentennial Commission [American Revolution Bicentennial Administration] and all the things that they are doing here in Saginaw Township and elsewhere give us the light, the hope, the vision for a better and better America.

Thank you very, very much.

NOTE: The President spoke at 3:39 p.m. at the Saginaw Township Bicentennial Park at Sherwood Elementary School. In his opening remarks, he referred to Representative Elford A. Cederberg, George Olson, Saginaw Township supervisor,

Thomas Ferguson, chairman, and Richard Kennedy, vice chairman, Saginaw Township Bicentennial Committee; and Rev. Paul R. Beck, pastor, Good Shepherd Lutheran Church of Saginaw.

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Remarks of Welcome to President Valéry Giscard d'Estaing of France. May 17, 1976

Mr. President, Madam Giscard d'Estaing, ladies and gentlemen:

On behalf of the American people, Mrs. Ford and I are very delighted to welcome you to the White House.

Mr. President, you have come to the United States at a very historic time—the celebration of the 200th anniversary of our independence. Your visit is a very special and a very fitting gesture by France, which two centuries ago sent her sons as well as her treasure to help an infant republic win its independence.

In the last two decades of the 18th century, the world was transformed by the American and the French Revolutions. Who could have predicted that these two new republics, who came together in their infancy to establish freedom and independence, 200 years later would remain steadfast friends and allies, still depending and still defending these same ideals?

As in 1776 and 1789, our nations continue to champion liberty and democracy. We cooperate in peace as we have in war to preserve our revolutionary heritage of freedom. We welcome you today with the warm recollection, Mr. President, of France's aid to a struggling young republic.

Within the past 30 years, the number of independent nations has nearly doubled. As each new nation has declared its independence and set its political course, the world has become much more complex, more interdependent, and demands from us ever greater in wisdom in the conduct of our foreign relations.

In such a world, the French-American relationship—entering its third century—stands out as an enduring symbol of common dedication to freedom, to the rights of man, and to the increased well-being of our peoples in a more peaceful and prosperous international environment.

Mr. President, the longstanding and close relationship between the United States and France has never been more important. In dealing with formidable economic, security, and political challenges facing all democracies today, close cooperation is more crucial than ever. We can successfully meet these challenges, Mr. President.

Speaking for the American people, I salute the role of France in strengthening international economic cooperation and French contributions to international efforts to deal with the problems of energy, inflation, food, and financial pressures.

We have many, many important issues to talk about, Mr. President, and I look forward to these talks in full confidence that they will contribute significantly to political and economic stability in the world.

Mr. President, Americans are most appreciative of the generous and thoughtful ways France has chosen to honor our Bicentennial. I know that your visits, Mr. President, to American towns and cities and your participation in Bicentennial ceremonies at hallowed landmarks of our Revolution will further strengthen the traditional and enduring friendship between the United States of America and France.

Mr. President, Madam Giscard d'Estaing, America bids you a most cordial welcome.

NOTE: The President spoke at 10:45 a.m. on the South Lawn at the White House, where President Giscard d'Estaing was given a formal welcome with full military honors. President d'Estaing responded first in French and then repeated his remarks in English as follows:

Mr. President, I feel especially fortunate to be the President of France, to whom it falls to come and celebrate with you the Bicentennial of your independence.

First, in calling to mind the imagination, initiative, and courage of those great men whose successors we are and who, on both sides of the Atlantic launched the idea of liberty, first here in 1776 and then echoed by France in 1789.

Secondly, because in the course of these two centuries, our two countries have remained friends. This example is perhaps unique in history. We are fully aware of the role you played in defending our liberty. The French people have not forgotten;

they thank you for it.

The real secret of our understanding springs from the principle which inspired it. Both countries have shown without a break, and sometimes in dramatic circumstances, an identical passion for independence and liberty.

Today, two centuries later, this principle remains at the center of the world's problems—the independence of peoples and the freedom of men. This is the reason why I have come to tell you, Mr. President, that the France of 1976 is as much committed to the struggle in the defense of liberty as she was, along your side, two centuries ago.

My sincere wish is that this Bicentennial meeting should be for our two countries, for the United States and for France, a festival of liberty, that principle of democratic liberty that will—if we have the determination—will continue to shape the destiny of the world.

Long live the United States and the great people of America.

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Message on the Observance of National Handicapped Awareness Week. *May 17, 1976*

I COMMEND the attention of all Americans to National Handicapped Awareness Week. It is an observance which should remind us of our need to eliminate architectural barriers which still stand in the way of handicapped citizens and our need to build a system of public transportation which brings new mobility to those who are handicapped.

Our success in heeding the message of this observance can result in more jobs—and a greater variety of jobs—in more businesses and industries. It can bring closer the day when all our citizens have full access to public facilities and when all Americans can more fully exercise their inherent rights.

The message of National Handicapped Awareness Week should remain with us as a continuing commitment to enable handicapped Americans to achieve greater personal self-fulfillment and meaningful contribution to our society.

GERALD R. FORD

NOTE: National Handicapped Awareness Week was observed May 16–22, 1976.

May 17

Gerald R. Ford, 1976

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**Message to the Congress Transmitting Annual Report of the
Director of the National Heart and Lung Institute.**

May 17, 1976

To the Congress of the United States:

I am transmitting herewith the Third Annual Report of the Director of the National Heart and Lung Institute, as required by the National Heart, Blood Vessel, Lung, and Blood Act of 1972. This report, which contains a program plan for the next five years, was prepared in consultation with the National Heart and Lung Advisory Council.

The report proposes two levels of expenditures for fiscal years 1977 through 1981, both of which are in excess of the dollar amounts requested in the FY 1977 budget. The report states, however, that these projected expenditures are based on scientific judgment relating only to this research field. Moreover, the plan correctly recognizes that the allocation of national resources for the program must be determined in relationship to other competing national needs within total available Federal resources.

The Report focuses on the new initiatives undertaken since enactment of the 1972 Act, and it provides examples of encouraging progress in the fight against heart, blood vessel, lung, and blood diseases. These diseases, in 1972, led to an estimated national economic loss of more than \$57 billion annually. Deaths from coronary heart disease, the number one killer of the American people, continue to decline as do deaths from stroke and hypertension. The Institute's efforts also appear to be bearing fruit in the area of high blood pressure control. A national survey of physicians indicated that in calendar year 1974 the total number of patient visits for treatment of high blood pressure increased by 41.6 percent over 1971, the base year. In comparison, the total number of medical visits for all causes increased by only 16 percent over the same period. Furthermore, since the base year, the number of patients whose high blood pressure is under control has doubled.

The Administration recognizes the accomplishments as outlined in the Report, and continues to view the heart, blood vessel, lung, and blood program as an area of high priority.

GERALD R. FORD

The White House,
May 17, 1976.

NOTE: The 70-page report, prepared by the Department of Health, Education, and Welfare, is entitled "National Heart, Blood Vessel, Lung, and Blood

Program—Third Report of the Director of the National Heart and Lung Institute."

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Message to the Congress Transmitting Annual Report on Special International Exhibitions. May 17, 1976*To the Congress of the United States:*

As required by law, I transmit to the Congress the Twelfth Annual Report on Special International Exhibitions conducted under the authority of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256).

This report covers exhibitions presented abroad by the U.S. Information Agency at international fairs and under East/West Cultural Exchange agreements, as well as exhibitions and labor missions presented abroad by the Department of Labor and the Department of Commerce.

GERALD R. FORD

The White House,

May 17, 1976.

NOTE: The 43-page report is entitled "Special International Exhibitions—FY 1974 Twelfth Annual Report, United States Information Agency."

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Remarks at a Meeting To Report on U.S. Disaster Assistance to Italy. May 17, 1976

THE PRESIDENT. I have asked the Vice President and Mr. Parker¹ to come in and give me a firsthand report on the AID [Agency for International Development] request that I made to the Congress to help the earthquake victims in Italy. And, as all of you know, the Vice President and Dan Parker went to Italy to see firsthand the devastation that came from the earthquake, to talk to the people, to work with the government, and to show firsthand that this administration is very, very concerned and willing to help in trying to alleviate the suffering and participate in the rebuilding.

So, Mr. Vice President, would you give us a quick summary of what you saw?

THE VICE PRESIDENT. Let me just take us back a little, Mr. President. You have done a lot of wonderful things for people in your life, but of all the things you have done, I don't think anything has ever reached people the way this

¹ Daniel Parker, Administrator, Agency for International Development.

action of yours—sending that message to Congress ²—\$25 million, to which Congress acted and responded—the way that has touched the Italian people.

We were over there. We arrived, and people—an old lady who had lost her husband came up and embraced me. Everywhere we went people just came up to thank you for what the American people were doing in standing with them, standing with Italians is the way they felt, in their suffering.

I was talking to a doctor in one of the tents, and I might just say that half the population—out of 180,000 people, 90,000 people—lost their homes. And they are in tents, big tents, 20 people in one tent, beds just next to each other, like that, in two rows, and one chair and a basin.

We were in there. It was raining for 2 days—and the mud. I was talking to the doctor in this village who was strong, taking care of the people. And when I went out of the tent, they said, “He didn’t say so, but he lost his daughter and his mother.”

THE PRESIDENT. You were telling me of the one woman in the hospital who lost seven children.

THE VICE PRESIDENT. Six children she had lost. I came in, and we went to the hospital. There were 1,000 people killed and about 2,500 in the hospital—and 90,000 homes—but the hospital was taking the people in. Her husband was there. I came in and was going down the ward, and he just came over and threw his arms around me and he just gripped me. She was absolutely unable to even react. She lost all her family. Her leg was crushed. It was extraordinary.

But the response to America, they just feel—and as I said, we are all in a family together, and your people helped build our country and now you are in trouble. We are with you, thanks to the President and the Congress.

But the extraordinary thing was, they weren’t complaining about what happened. Their courage, their dignity, their strength is fantastic. All they want to do—the one thing on their minds is how can they get materials to start rebuilding their homes. They don’t want to move out of there.

THE PRESIDENT. The \$25 million that I recommended, and Congress has approved, will be under the guidance of Dan Parker of AID.

Dan, do you want to give us a quick rundown of what we are doing?

MR. PARKER. As the Vice President indicated, Mr. President, our objective is to get our assistance to the people as quickly as possible. There are many small villages in this area. In this area about 50 villages were either totally or very substantially destroyed.

² See Item 453.

By October they have to get out of the temporary housing—the tents—and get back in to some kind of shelter that can last them over the winter. It will probably take 2 or 3 years to rebuild totally.

So, the objective of the Italian Government—and ours, in assisting them—is to get as quickly as possible some sort of decent shelter.

The interests of the commercial, the industry, even the farming, the agricultural business, is very substantially disrupted. They lost substantial amounts of their dairy equipment, key parts of their economy.

The villages are old and have a lot of historic value and monuments, too. What was interesting to me was that people would approach me and point out the need to protect their historic monuments, their church, their city hall.

I would find out afterwards that the man who had been saying that to me had lost members of his family, his home had been destroyed, and yet one of the first things on his mind was, protect our cultural heritage.

THE PRESIDENT. This is in the northern part, as I understand. The Yugoslavian border is here, Trieste, and the Austrian border is north.

MR. PARKER. North, yes. This is an alluvial plain, and it rises into the mountains rather precipitously. The impact area is right where rugged foothills are, and there are quite a number of avalanches that did quite a bit of damage. There are quite a number of incipient ones that have to be taken care of before the area is safe.

THE PRESIDENT. Is this an area where there have been earthquakes previously?

MR. PARKER. No, Mr. President. The best records that we can find show the last earthquake in this area was in the fifteen hundreds. So, it is not an occurrence they would be ready for. We hope, however, that in the rebuilding, that the new structures will, in fact, be resistant to it.

THE VICE PRESIDENT. Mr. President, the Italian Government did a beautiful job in moving immediately on this, and the Italian military—within an hour, between an hour and 2 hours—they were in there. All the deaths occurred in the first minute of the earthquake. This whole thing happened just like that.

THE PRESIDENT. What time of day was it?

THE VICE PRESIDENT. Nine o'clock in the evening. That's why so many people were in their homes. That's why they were killed in their homes.

THE PRESIDENT. We had, before you and Dan Parker came, we had some of our military—

THE VICE PRESIDENT. They did a beautiful job supporting—

THE PRESIDENT. —the helicopters, light-wing, fixed-wing aircraft.

MR. PARKER. There is an American air base, Mr. President, Aviano, which is

very close to the area. And those men—we can be very proud of them, because both as an organized military unit and, as well, they as individuals and their families have been really terrific.

THE VICE PRESIDENT. They had many volunteers, too.

THE PRESIDENT. I thank you very, very much, Mr. Vice President, and Dan Parker. It was an emergency mission for the best interests of those unfortunates who suffered, but I think it's another expression of American humanitarianism in an emergency, whether it's in Guatemala or Italy. The United States has moved in the right way as quickly as possible and with very good results.

THE VICE PRESIDENT. And the Italian people, Mr. President, feel the American people are with them. This shows tremendous sense of courage and help for the people at their moment of need, thanks to you.

THE PRESIDENT. Thank you all very much.

NOTE: The meeting began at 2:20 p.m. in the Oval Office at the White House where Administrator Parker presented the President with a 17-page report, prepared by the Agency for International Development, on U.S. relief efforts in Italy.

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Toasts of the President and President Giscard d'Estaing of France at a Dinner Honoring the French President. May 17, 1976

Mr. President, Madam Giscard d'Estaing, distinguished guests, ladies and gentlemen:

We are deeply honored to have the opportunity to have you and your party with us for this evening. Mrs. Ford and I consider ourselves extremely fortunate to have this opportunity to extend our hospitality to all of you officially, as well as personally.

Mr. President, your visit to the United States to share with us the 200th anniversary of our Declaration of Independence and your presence in this historic house tonight are vivid reminders of the longstanding and outstanding friendship of our two nations and of France's aid to the United States for which we are all deeply indebted.

A very glorious chapter in human history, the narrative of French assistance to the winning of American independence, has been taught in American schools for two centuries. Every American schoolchild learns of General Rochambeau, General Lafayette, and Admiral de Grasse at Yorktown. This is part of our great teaching heritage in America, and for very good reason.

As millions of visitors to Washington will discover this year, this city contains many, many monuments to brave sons of France who helped us in periods of dire emergency, beginning with the statue to General Rochambeau in Lafayette Park, just across from the front entrance of the White House. It's a historic place in our National Capital.

Tonight we pay special tribute to Admiral d'Estaing, who brought the first French fleet to our assistance in the Revolutionary War. Count d'Estaing's arrival on July 13, 1778, was stunning news to our opposition at that time and was a great blessing to the hard-pressed Continentals.

Unfortunately, General Washington never met Admiral d'Estaing. And I count it a special privilege as the 38th President and I can welcome one of his descendants to this house and personally express our long-overdue thanks for the distinguished contribution that was made by one of your predecessors in our struggle for our independence.

In his honor, we have displayed in this room tonight a bust of the admiral, which has long resided at the White House. And I am certain that all of you will agree that it is a distinct pleasure to have the admiral with us on this occasion, as well as one of his family.

Mr. President, we welcome you tonight both to express our gratitude for the assistance of France 200 years ago and in recognition of the continuing, important role which France and the United States must play as allies in the world today.

France and America will remain united by common devotion to the rights of man, by a shared concern for the welfare of all peoples, and peace for all nations. The course of history has drawn France and the United States closer and closer together in time of war, but we have also stood together in time of peace, facing the challenges of recession, of inflation, and the energy crisis. These challenges are no less a threat to the peoples of both of our countries and the world as a whole than the wars of the past.

Mr. President, by working together we can triumph over these challenges. And we are on the way to economic recovery both in your country and ours and in the industrial societies of this world. Much, much progress has been made through cooperation, through consultation among the industrial democracies. And we owe you a very special debt of gratitude for your leadership in the past months.

Mr. President, our dialog which began in Martinique some 18 months ago, continued at Brussels, Helsinki, Rambouillet, and now in Washington, is of great importance to your people as well as to ours. The continuing dialog has

generated a spirit of mutual and very deep confidence fundamental to our relationship as friends as well as allies.

As in 1776, Mr. President, America welcomes the partnership of France and deeply values her friendship, her wisdom, her strength, and France's long-standing tradition of leadership. Together, we face wonderful opportunities for the future.

Two centuries ago, during the Revolutionary War, General Washington had a special dinner guest, the French general, philosopher, and author, Chastelux. Writing of that dinner, he remarked favorably upon the calm and the agreeable conversation, but he disapproved of the 10-course menu.

He observed, however, that the frequent toasts were a sort of refrain, punctuating the conversation as a reminder that each individual is a part of the company.

To all of our guests, French as well as American, I welcome you as part of our company, gathered this evening in tribute to France and in the honor of her President.

Let us toast to the health of the President of the French Republic and the friendship of France and the United States. To the President.

NOTE: The President spoke at 10:22 p.m. in the State Dining Room at the White House.

President d'Estaing spoke in French. His remarks were translated by an interpreter as follows:

Mr. President, Madam, ladies and gentlemen:

This morning, after having left Paris at 12:00 and arrived in Washington at 10:00, I rather have the delightful feeling that I have managed to set back eternity by 2 hours. [*Laughter*]

Now this evening, after listening to you, Mr. President, I have the feeling that you have set back eternity by two centuries.

Listening to the warmth, knowledge, and friendship with which you discussed what happened two centuries ago, I rather have the feeling of that dinner during which Washington suffered too many courses. [*Laughter*]

Mr. President, the note of simple dignity with which you have struck for this visit of the President of France, together with the words of friendship you have just spoken, clearly illustrate the true inspiration of our meeting—the present commemoration of a past event, but an event that is still alive for all of us and which we are happy to celebrate together.

We are not here as archeologists digging up a dead past. We are here for a warm, joyful celebration of a living idea, one of the great ideas of which it has been said that its spark is only to be alive in a single mind to set the world afire. I mean, of course, the liberty of men.

In the course of my visit to the United States, I shall have occasion to call to mind on the actual scene of events some of the high points in your struggle for liberty. But this evening, as I address the President of the United States and with him the whole American people, I want to take the opportunity to say how profoundly gratified I feel at the understanding that exists between our two governments.

I want to say also how convinced I am of the value of this understanding not only for our two countries but for world progress. It is precisely because of our shared sense of the current need for Franco-American friendship, Mr. President, that we both wanted to meet immediately after we took office. And so I had the pleasure of welcoming you to Martinique, 18 months ago.

I refer to that meeting because it was our first, but also because our relations continue to be inspired by the spirit of the talks we had there. What has been referred to as the spirit of Martinique can be defined as openness and trust, mutual respect, and a sense of solidarity. In no way does it imply, whether on our side or on yours, any weakening of independent judgment or of our own responsibilities. It might be appropriate to recall the words of Richard Henry Lee in 1776: "It is not choice but necessity that calls for independence as the only means by which foreign alliance can be conducted." Such a sentiment calls for a common will to dispel misunderstanding, to turn away from recrimination, and to promote dialog.

I do not think there has ever been a time when contacts between our two governments have been more frequent, consultation more sustained, and cooperation more goodwilled. Also, it has never been clearer that though our methods may sometimes differ, our final objectives are inspired by that same ideal of liberty, peace, and justice, which is the ideal of our two peoples.

Events have certainly demanded considerable attention from us. The problems are varied: European security, the Mediterranean, the Middle Eastern conflict, the tragedy of Lebanon, the evolution of southern Africa, the economic stability of the West, a new balance to be established between industrialized and developing countries.

It is inevitable that the United States and France should be involved in all these problems. Of course, France does not have at her disposal the same means of action as the United States. But the influence of France extends to a wide and established audience, and this yields to a politically independent voice, an increased defense effort, thriving friendships across the world, particularly in Africa, and a dynamic economy still not fully recognized as such in this country.

These factors again added authority from the fact that nobody doubts France's commitment to the cause of peace. This enables France to be for the United States, as the United States is for France, an all-the-more solid ally in that her loyalty is devoid of any touch of subservience.

We have only to refer to experience to see that when world problems arise, Franco-American understanding and cooperation never fail to be of benefit. At Helsinki, for example, when détente was formulated in terms of principles which for both of us at once exclude confrontation and abdication; and then they were of benefit again in the case of the Rambouillet conference, where the

principal industrial powers shared a clear resolve to meet the responsibilities created by the economic crisis from which we are now emerging together—these are two examples of the results to be obtained through shared initiatives.

[Up to this point, President Giscard d'Estaing spoke in French and his remarks were translated by an interpreter. At this point, he began speaking in English.]

And now, after having called to this gentleman, a Ford, to translate my speech, I will call for a Ford to understand me. *[Laughter]*

It is, Mr. President, my sincere wish that this visit may be the occasion for the Americans to acquire a better understanding of the French people—to be sure our Latin roots have a formative influence on our character, to be sure we are impetuous and enthusiastic, but we are also loyal and determined. Such are the qualities which over the centuries have enabled us to ride out the storms of Europe.

It is because of these qualities that we can declare to France's partners today that, whether in prosperity or adversity, France is a dependable friend.

I also wish that the understanding built up between us should remain the way it was expressed in the inscription that one of my ancestors had engraved on the tomb of a French officer killed at Boston on September 15, 1778, that, "all attempts presuming to separate France and America might prove forever vain."

It is in this spirit, Mr. President, that I offer to you, as well as Mrs. Ford and to your family, my warmest good wishes for your happiness and well-being, and that I raise my glass to honor the independence of the United States of America and the 200 years of friendship between our two peoples.

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Toasts of the President and President Giscard d'Estaing of France at a Dinner Honoring President Ford. May 18, 1976

Mr. President, Madam Giscard d'Estaing, distinguished guests, ladies and gentlemen:

Thank you very kindly, Mr. President, for your very thoughtful and very generous words. Mrs. Ford and I are most appreciative and highly honored for the opportunity to join with you and your many friends here on this occasion this evening.

Once again I have a firsthand opportunity and a welcome opportunity, I might say, to enjoy the incomparable hospitality and cuisine of the French people as well as yourself. France's reputation, as we all know, for its hospitality is just one of the many dimensions of French contributions to the world as a whole.

Frequent mention has been made during your visit, and appropriately so, Mr. President, of France's role in our struggle in this country for our independence. Yet the French influence in America long preceded 1776. Much of the New World was opened by French explorers such as Marquette and LaSalle. Their influence is very obvious, very apparent in the names of American towns and American cities, north and south, from Detroit to Joliet to New Orleans.

French influence is still very vivid in Louisiana, which you, Mr. President, will visit later this week. Closer to home, we enjoy the superb artistry of L'Enfant and design of our beautiful Capital City. It was he who selected the site for the Capitol Building and for the White House itself, creating for the latter a beautiful President's park where your helicopter landed just yesterday.

For this reason, I am pleased at the renewed interest on both sides that my visit at your invitation has generated in our two countries. For the people of France, it has been an occasion to discover the realities of present-day America as they have been presented on this occasion by our combined information services.

I would like to think that it has also helped the American people to become better acquainted with the France of today, the France that is changing by virtue of her younger outlook and her sense of effort.

For this reason, I also set great value—as you know you do, too, Mr. President—on the cooperation that we have decided to implement in an area that is limited but full of human implications. I am referring to the war on cancer. I shall follow its development personally.

French philosophers have profoundly influenced and inspired the nature of our democracy and the spirit of our laws in America. Thanks in a very large measure to the writings of Montesquieu and Rousseau, our nations share a heritage of human values. These values are today the very basis of our philosophy, of our freedom, our justice as well as our equality.

America remains greatly inspired by the wisdom and the vision of France in the history of our great country. It is especially gratifying to celebrate the Bicentennial of our independence with the distinguished President of our country's oldest friend and oldest ally. Ours is a partnership and an alliance unique in world history, a relationship which each has extended the hand of friendship and assistance to the other in the hour of maximum peril.

As in the past, our security and our prosperity still depend upon our willingness to work together, to cooperate in meeting common problems and meeting common challenges.

We meet tonight, Mr. President, in a time of peace. Continued peace requires that every democracy remain strong and prepared to defend its liberty. As Washington said: To be prepared for war is one of the most effectual means of preserving the peace.

In a gesture symbolic of the commitment of both of our nations to safeguarding the security of our peoples, Madam Giscard d'Estaing will travel to Mississippi in the next day or two to christen the United States Navy's newest destroyer, the *DeGrasse*. And I compliment you and wish you well on that fine occasion on Saturday.

This ship, Mr. President, named for the French admiral whose fleet made possible a very decisive victory at Yorktown will contribute to the strength and to the capability of our own Navy. The *DeGrasse* will also contribute to the objectives and to the goals that we share with France—to preserve the peace, to protect our freedom, and to keep the sea lanes of the world fully open to the democratic nations.

Mr. President, for 200 years France and the United States shared dreams, shared challenges, shared victories in every sphere of human endeavor. The mutual esteem and inspiration which mark our relationship today flow from common ideals, determination, and mutual reinforcement. I foresee a very vital partnership for generations to come between our two nations.

And I might say on a personal basis, Mr. President, it has been a unique and a wonderful experience for me to have made your acquaintance and to have worked with you, and I look forward to a continuation of that experience for what I hope is the benefit of our countries for a good many years to come.

It is altogether fitting that the nations which two centuries ago gave the world two very fundamental charters of liberty—our Declaration of Independence and the declaration of the rights of man—should still stand together for freedom and for justice for all.

So, let us toast that partnership on the eve of its third century. To the health of the President of the French Republic and to the liberty, equality, and fraternity of the people of France and the United States.

NOTE: The President spoke at approximately 10:20 p.m. at the French Embassy in response to a toast proposed by President Giscard d'Estaing. President Giscard d'Estaing spoke in French. His remarks were translated by an interpreter as follows:

Mr. President:

It is a great pleasure for Madam Giscard d'Estaing and myself to welcome you and Mrs. Ford this evening here in this French abode and to return to you some of the warm hospitality that you and

the American people have extended to me since the beginning of my visit.

Now, this is the fifth time we have met in 18 months, and during the past 2 days we have had useful and trusting talks together. We are getting to know each other well, and I would like to take this opportunity to tell you how delighted I am of the contacts and, if I may say, of the friendship that has been established between us.

A few weeks ago, Mr. President, you said that French-American relations were better today than they had ever been. I share your view wholeheartedly, but I would like to add that we owe this state of affairs largely to you, to your personal conviction and your breadth of vision. And I hope that I will not be accused of interfering in your country's domestic affairs if I testify to this here, but that is a risk I am prepared to run.

I agreed to make this visit for obvious reasons. Given the role France played two centuries ago, it was only fitting that France would be first in joining in the celebrations for the Bicentennial of the United States and sharing with special feeling the joy of the American people. But something else struck me. Although our countries are linked by so many memories and share the same values and belong to the same alliance and are so often led by major world affairs to exchange views and pool their efforts, nevertheless our countries' knowledge and understanding of each other is too often insufficient and superficial, and even their trade relations are not commensurate with the place each one holds in the world economy. Now, such a situation is paradoxical. It is also harmful and should be corrected.

For this reason, lastly, I hope that there will be more and more contacts and meetings between our two countries and that, in fact, will be the aim of the two foundations which have just been established, one in New York and the other in Paris, in order to promote relations between the United States and France. Under the guidance of well-known figures, they will work together closely to further exchanges and dialog between our two countries.

Now, one of the objectives of my visit to which I am most attached will thus be achieved. And I know, Mr. President, that it meets your wishes, too; that is, that France and the United States should know each other better in order to understand each other better.

Our two countries will thus be able to sail in company just as they did when the first French fleet came to fight by your side. And in fact, the arrangement of the tables for this dinner is symbolic in that it reproduces the battle order.

I can't help but pause here just to say how much I admire the freshness and the naiveness of the sentiments of the men of those times. I would like to draw your attention to the menu card and the engraving on the first page, which is a picture that I chose myself among the archives in our country and the engraving commemorates the independence of the United States.

The very first line, which is dated the 4th of July 1776, the Thirteen Colonies that since have become known as the United States—well, I can but confirm that since that time they certainly have become very well-known fact as the United States of America.

And here I must also refer to the names of the French ships that came to aid of their American allies. Here again we note the great variety in the names of the ships which perhaps also reflect the variety in the relationships between our two countries. I see that there is a ship called *La Sensible*, and even *Le Fantasque*, and by a curious intuition for those times, I see that there was also a ship known as the *Concorde*. [Laughter] But perhaps more to the point, I think you will agree is the fact that *La Victoire* is among us.

So, it is in memory of that last ship that I would now like to raise my glass in honor of the President of the United States and Mrs. Ford, and all the distinguished Americans who did us the honor and pleasure of accepting our invitation and also in honor of the great American people to whom I say on this, their birthday, many happy returns of the day.

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Message to the Congress Transmitting Annual Report of the National Heart and Lung Advisory Council. May 19, 1976*To the Congress of the United States:*

Enclosed is the "Third Report of the National Heart and Lung Advisory Council," prepared in accordance with the requirement of section 418(b)(2) of the Public Health Service Act.

The National Heart and Lung Advisory Council has again prepared a thoughtful Report that addresses a number of important research policy questions. With regard to the recommendations and conclusions in the Council's Report, some recommendations are in accord with the Administration's views (e.g., the need for evaluation of pilot programs) and other recommendations are at variance with Administration policy (e.g., the budget recommendation and recommendations dependent on the Council's recommended budget).

The Council recommended funding levels without full knowledge of the competing needs of other high priority programs. Therefore, it is not surprising that the budget recommendations of the Council considerably exceed those of the President's 1977 Budget, which must take fiscal constraints and competing national needs into consideration. It should be noted that the budget for the National Heart and Lung Institute has increased greatly in recent years: from \$195 million in 1971 to a potential of \$370 million in 1976.

In addition, these fiscal concerns were recognized in H.R. 7988, "Health Research and Health Services Amendments of 1976", which I recently signed into law. The Congress authorized appropriations at a considerably lower level for FY 1977 than was recommended by the Council.

The Administration recognizes the accomplishments of the National Program as outlined in the Council's Report, and continues to view the heart, blood vessel, lung, and blood program as an area of high priority. The Report of the Council is being carefully studied and evaluated. I am forwarding the Report so that it is available to the Congress for its deliberations.

GERALD R. FORD

The White House,
May 19, 1976.

NOTE: The report, prepared by the Department of Health, Education, and Welfare, is entitled "National Heart, Blood Vessel, Lung, and Blood Pro-

gram—Third Report of the National Heart and Lung Advisory Council" (19 pp.).

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**Remarks and a Question-and-Answer Session With Reporters
Following Michigan and Maryland Primary Election Results.
May 19, 1976**

OBVIOUSLY, it's a great pleasure to have a chance to talk with you on this Wednesday. I say this very emphatically: I don't think Betty and I had a more enjoyable evening than last evening since we've been in the White House. It's wonderful, of course, to get good results in any political campaign. But when you get such an overwhelming and unbelievable vote in your own area—and I mean in this case the old congressional district that I had the honor of representing—I think it went 85 percent—and then, of course, added to the excellent endorsement in the State of Michigan as a whole, plus the very fine vote in Maryland, the whole evening was really a very enjoyable one.

And I do want to thank the many, many thousands of people in Michigan who I know made an extra effort, from Governor Milliken on down. There was a total unanimity of determination and spirit and cooperation. And we had, likewise, the same effort in the State of Maryland.

So, yesterday was a great day, and I think it has restored the momentum that is needed for the remaining 12 primaries and the various convention States—conventions that will be held between now and the convention in Kansas City. The momentum has started, we are going to work at keeping it going, and we are optimistic for a good victory in Kansas City.

QUESTIONS

REPORTER. Mr. President, how many of the six primary States Tuesday do you think you will win?

THE PRESIDENT. We haven't made any analysis as to the six as a whole, or individually. Our best judgment is we will come out reasonably well when you total the six up altogether.

Q. Mr. President, you are expecting to win in Kansas City, but how do you expect to do in California?

THE PRESIDENT. Well, we're going out to California, as you know, this week. We think we have a fighting chance in the State of California. We're going to make a big effort there. I can't tell you just how we stand. We have some surveys

being carried out at the present time. Those surveys will be very helpful in where we go and what we do.

On the other hand, the approach that we used in Michigan and the one we used in Tennessee and Kentucky of peace and growing prosperity and trust will undoubtedly be the thrust that we will use during the rest of our campaign.

Q. Mr. President, Mayor Wilson from San Diego says as far as he knows, you only will campaign for about 2 full days in California. With that being Governor Reagan's home State and a big State, how do you expect to win in a State like that with campaigning only 2 days?

THE PRESIDENT. We will make another judgment after this trip, but we do have to live within the expenditures of the law, and we are going to be very, very certain that that is done. And any future plans after this weekend will have to be coordinated with the availability of funds that are permitted under the law. So, plus the trip, plus the analysis of our funding, we will make some decisions later on.

Q. Mr. President, are you reserving the right to review any decision by Mr. Levi on the Boston busing case?

THE PRESIDENT. It is contemplated that some time this week, the Attorney General will come in and see me and undoubtedly tell me what his decision is. I think that's a very appropriate thing for him to do and a proper role for me to have. But he will make the decision.

Q. Mr. President, how do you respond to some critics who read into your concern about a review of busing as an effort to play for votes in Kentucky where busing is a major issue?

THE PRESIDENT. I think the fact that these news stories broke over the past weekend and no decision having been made and the controversy of busing in Detroit, is an indication that we in the administration made a major effort to not interject busing into the primary situation. We didn't do any talking about what the Attorney General has been studying and what the Secretary of HEW has been working on.

This came from other sources than ourselves, and we were disturbed that the stories did come out. We hope that we can keep this kind of a matter away from the emotional involvement of this problem and the primary elections. We certainly had no part of that, none whatsoever.

Q. Mr. President, are you encouraged by the progress that your administration is making in the search that you ordered last fall for alternative ways to achieve desegregation without forced busing? Are you optimistic? Are you encouraged that you will have found a solution?

THE PRESIDENT. I've had two of the outstanding members of my Cabinet working with others, trying to find any new approach or a combination of several new approaches. And I am encouraged with their progress to date, because I think it's a matter we've got to settle and settle in a constructive way. And between the Attorney General, Mr. Levi, and the Secretary of HEW, I believe that we may have some ways in which we can achieve the results without the tragedies that have occurred in some of our major metropolitan areas.

Q. Mr. President, can you tell us something about your discussion with Mrs. Golda Meir¹ today?

THE PRESIDENT. We just discussed the current situation in the Middle East which is, of course, a very excellent opportunity for me to get the benefit of one of our era's outstanding stateswomen. It was just a discussion bringing me up to date. She brought some messages to me from the Prime Minister, and we discussed related matters concerning the Middle East as a whole.

Q. Mr. President, concerning the great strength that both you and Governor Reagan have shown in gathering delegates thus far, do you think it's still possible for either of you to get a first ballot nomination and avoid a floor fight?

THE PRESIDENT. We're optimistic that we can get a first ballot victory in Kansas City.

Q. Mr. President, can I ask you a question that you were a little reluctant to answer in Michigan prior to the vote? I think we asked you then, could your campaign survive a defeat in Michigan? I was wondering if you could reveal your thought processes prior to the Michigan vote? Do you think you could have survived a loss in your home State, politically?

THE PRESIDENT. Well, Wally [Walter Rodgers, Associated Press Radio], I repeatedly told you and, I think, everybody else who asked that question, we didn't contemplate any loss in Michigan. I had good reason to believe we would win. And when you have that feeling, why worry about the thing that is not going to happen? Why don't you plan on what you will do when the good things happen? And that is what happened.

Q. You had that feeling all along?

THE PRESIDENT. Oh, of course.

REPORTER. Thank you.

NOTE: The President spoke at 2:51 p.m. on the South Grounds at the White House.

¹ Prime Minister of Israel 1969-74.

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Remarks at a Reception for Members of the American Enterprise Institute for Public Policy Research. May 19, 1976

Thank you very much, Herman, Paul, and Bill Baroody, and all of the AEI people and their guests:

It's really nice to be here.

Last night and today—well, they were much better than some Tuesday nights and Wednesdays we have experienced. [*Laughter*] I never try to sing the “Victors,” either—[*laughter*—because it's a great song. Fortunately, it was written for Michigan. But it was a night that Betty and I enjoyed probably as much as any night we have had the opportunity to be in Washington.

If I could just make a personal comment, when the returns came in from the two counties that I represented for 16 years, then the last 10—there was a redistricting, to some extent—but the two that I represented for 16 years, I got 85 percent of the votes. That's not bad. You know, you always expect a few stragglers. [*Laughter*]

But, anyhow, it's nice to be here. I remember very vividly in February of 1974, when I had the honor of participating as Vice President in the 20-year anniversary of Bill Baroody. In reminiscing about that on the way over and thinking of the many years that Bill and all of you in AEI have been helpful to me as a single Congressman, as a Republican leader and, subsequently, as Vice President and President, I can't say strongly enough how grateful I am for the contribution of all of you who contribute to AEI and in a meaningful way contribute to government, whether it's in the executive or the legislative branch.

You should be very proud of the organization and you should be saying to all of us who are the beneficiaries, we're going to keep it up, because I can say, as a beneficiary, it was very, very helpful.

I look around the room and I see many people from the academic world who I have known through AEI over the years. It's a tremendous collection of talent and the views that have been given to me in one way or another have been extremely helpful, and they are today.

We do use, and for good reason, the recommendations, whether they're in housing, whether they're in a multitude of other programs, the concise and very well laid out alternatives and proposals that come from AEI.

I am just very grateful that this kind of talent is available to us who have the honor and privilege of serving in government. And let me assure you that

we hope you have many, many more years of good service with AEI, Bill, and that AEI continues over the years in making its meaningful contribution to not only the legislative branch but to the executive branch. Both of us need a lot of help and this is the kind of talent that we like to have. [Laughter]

And I, in closing, could make one observation: I have met, as I said, with this group in 1974 and it was nice to see so many old friends. I met with your board of directors last year, as I recall, and it's nice to have an opportunity to say a few words here tonight. It would be awful nice to have a similar opportunity for each of the next 4 years. [Laughter]

NOTE: The President spoke at 7:58 p.m. in the Dolley Madison Ballroom at the Madison Hotel.

In his opening remarks, he referred to Herman J. Schmidt, chairman of the board of trustees, Dr. Paul

W. McCracken, chairman of the academic advisory board, and William J. Baroody, Sr., president, American Enterprise Institute for Public Policy Research.

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Exchange With President Giscard d'Estaing of France on Accepting France's Bicentennial Gift to the United States.

May 19, 1976

Mr. President, Madam Giscard d'Estaing, distinguished guests, ladies and gentlemen:

I am greatly honored to accept this magnificent presentation on behalf of the American people. It is an ingenious and very generous gift, a symbol of the common heritage of friendship and devotion to freedom which distinguishes the historic ties between our two countries.

The sound and light display will take its place with your country's gift in 1876 to our centennial, the Statue of Liberty. It has become a symbol, Mr. President, of America, as well as a continuing reminder of the inspiring values that we share between our two countries. For many generations the lady with the lamp has welcomed millions and millions of immigrants yearning to breathe free in our country.

PRESIDENT GISCARD D'ESTAING. Mr. President, a hundred years ago, to celebrate the first centenary of her friends and ally, the American people, France gave America the Statue of Liberty, casting light upon the world. Today, by throwing a veil of light on the home of George Washington, it is again freedom, of which he was the hero, that France has chosen to commemorate for this second centennial.

By lighting up these surroundings where he lived and where he is buried, may

we bring the glorious figure of the founder of the American Nation to life again, just as one might have seen him coming home in the evening or sitting at desk by the window.

France, through the kindness of the ladies of Mount Vernon, whom I would like to thank for their generosity in allowing this show to take place here, we will again experience through the voices of great American and French actors one of the most extraordinary epics of liberty.

Mr. President, as a tribute to liberty and a token of friendship, I present to you in the name of the French people the sound and light show of Mount Vernon.

Like the Statue of Liberty, the Mount Vernon sound and light display will be a continuous celebration of the principles of liberty shared by our two Republics. There could be no more historic or suitable site than Mount Vernon for France to honor our Bicentennial. It was here on September 9, 1781, that General Washington arrived just before the decisive battle of Yorktown. He was joined by French Generals Rochambeau and Chastellux. It was from here that the American Commander in Chief and his French allies rode to Yorktown and into the pages of our history. Mr. President, today at Yorktown you personally commemorated our joint victory. We are proud to share our day of glory with you.

George Washington's love of Mount Vernon is well known to all of us and to people around the world. It was to Mount Vernon that his thoughts turned during the difficult, often discouraging campaigns of the war of our revolution and during his Presidency.

Visitors to Mount Vernon, Mr. President, will now hear, see, and feel the emotions aroused by the creation of the United States of America, by Washington's meeting with LaFayette, and by the friendship of our two countries.

Mr. President, I ask that you convey to the people of France the heartfelt thanks of the American people for this superb display of sound and light and for the unique friendship and relationship that it symbolizes.

Thank you very, very much.

NOTE: The exchange began at 9:22 p.m. at Mount Vernon, Va. President Giscard d'Estaing spoke first in French and then repeated his remarks in English.

The sound and light program is entitled "The Father of Liberty" and is about the life and times

of George Washington. The program is France's Bicentennial gift to the American people.

At the conclusion of the program, the Presidents attended a reception in the mansion and on the grounds.

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Remarks at the Swearing In of the Six Members of the Federal Election Commission. May 21, 1976*Justice Brennan, my prospective members of the Commission:*

I think this is a very good day for the country and for the political process that we're going through at the present time. At long, long last, after many regrettable delays, we are finally putting the Federal Election Commission back into business.

The significance of today, however, is that once again we have a watchdog to ensure that the election process proceeds as fairly and as honestly as possible in full accord with the law.

By their actions, the members of this Commission whom we are swearing in today can do a great deal to build and to restore public trust in the political process. This is one of the greatest contributions that anyone can make in public life in America.

So, all of us wish you the very best and wish you well as you begin your work once again.

It's now my pleasure to call upon Justice Brennan to administer the oath of office to these six outstanding individuals who have great responsibilities.

NOTE: The President spoke at 4:05 p.m. in the Rose Garden at the White House.

William J. Brennan, Jr., Associate Justice of the Supreme Court, administered the oath of office to

Joan D. Aikens, Thomas Everett Harris, Neil Staebler, William Springer, Vernon Wallace Thomson, and Robert Owens.

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Exchange With Reporters on Arrival at Medford, Oregon.**May 22, 1976**

IT'S really great to be in Oregon. I have been here a good many times. I have always enjoyed it. I think I have a lot of friends here.

I am out here to make a very direct approach to this campaign. The theme of my campaign is peace, growing prosperity, and the restoration of trust in the White House. The record is very clear. We have achieved the peace, we are maintaining it, and we are going to keep it through our military capability and our diplomatic skill.

We inherited a very bad economic situation. Inflation was 12 percent. We were on the brink of high unemployment, and in the last year we made sub-

stantial progress. We have reduced the rate of inflation to under 3 percent, a 75-percent reduction. We have added 3,300,000 jobs in the last year—700,000 more jobs in the last month.

We are well on the way to the kind of prosperity that America deserves, and we are going to get it in the next 4 years. In addition, I think the restoration of trust and confidence in the White House is obvious to everybody. We had a hard time at the beginning, but we have convinced the American people that we have an open, candid, forthright, open-door policy in the White House. And I think that's what the American people want.

REPORTER. Mr. President, will you support legislation that will allow clear-cutting in the national forests?

THE PRESIDENT. I strongly support the Humphrey bill, which provides for good management practices under the control and guidance of the Forest Service. I am vigorously opposed to the Randolph substitute, which I think would inhibit and in effect, prohibit the kind of good management practices which are necessary.

Q. Mr. President, on Monday the New York State delegation will meet. Is there some concern on your part of giving those uncommitted delegates to you before the Tuesday primaries?

THE PRESIDENT. I'm very optimistic that the New York delegation will be in the Ford column, but that's their decision. I have a good many friends in the New York delegation. I think they will be sympathetic, but I will let them make the decision.

Q. Have you urged them to meet earlier than normal? Wouldn't they normally not convene until closer to the convention?

THE PRESIDENT. Not at all. This is their decision. They, under the leadership of their State chairman, Dick Rosenbaum, decided that they wanted to take whatever action they take this weekend.

Q. President Ford, we have a nuclear safeguard initiative on the ballot here. Would you encourage Oregonians to vote for that?

THE PRESIDENT. I am a strong believer in safe and reliable nuclear power. The country today has about 55 nuclear plants operating. They have a very good safety record. Their reliability is good. We have to improve both, but if we don't use and expand nuclear power the United States will become more and more dependent on foreign oil cartels. We cannot afford to let foreigners establish the cost of energy in the United States. So, I believe in nuclear power. And I therefore hope there will be no restrictions or prohibition artificially and arbitrarily applied against nuclear developments.

Q. Mr. President, are you moving to the right on the racial issue with these busing remarks, and the nuclear reactors in South Africa?

THE PRESIDENT. Not at all. I have strongly opposed court-ordered forced busing to achieve racial balance. I have consistently all my life lived and believed and voted for the end of segregation. But I think the real answer that we are trying to get is quality education, and court-ordered, forced busing is not the best way to achieve quality education.

Therefore, what may transpire by the Attorney General—and he has not yet made his final decision—is an attempt to get a better remedy for quality education than the remedy that has been applied in several States.

In the case of South Africa, we are trying to end the radicalism which has developed in South Africa since the Soviet Union and Cuba took over Angola. The way to do that is to convince the independent States in South Africa that there should be no outside power controlling that part of that continent.

And at the same time, we have to believe, because it is historically the right thing in this country and what we have believed in—of majority rule with the absolute protection of minority rights—

Q. Do you mean majority rule in the Soviet Union as well as Rhodesia?

THE PRESIDENT. And in the case of South Africa itself, I have said at the proper time it will undoubtedly be appropriate for me to meet with the proper government officials in South Africa. In the case of Rhodesia, that is another matter.

REPORTER. Thank you very much.

THE PRESIDENT. Thank you very, very much, sir.

NOTE: The exchange began at 11:06 a.m. at the Jackson County-Medford County Airport.

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Remarks in Medford, Oregon. May 22, 1976

THANK YOU very, very much, John Dellenbach.

It's nice to be here in Medford's Library Park with Mayor Ben Fagone, my former colleague in the House of Representatives, Wendell Wyatt, other distinguished guests. And it's wonderful to have an opportunity to say a few words to some fellow Americans from the great State of Oregon.

I flew out here this morning to spend 4 days on the west coast asking for your support. My very first stop on this trip brought me right to Library Park in the city of Medford. I'm glad to be here. I know you are all glad to be here just because it's God's country.

It's been my privilege to travel in every one of our 50 States, and I found that some States have mountain ranges; some border on the ocean; some have very fertile valleys, broad forests, and sparkling rivers. And in some you can ski, and in others you can swim.

But here in Oregon you have it all. You were the first State in the history of America to hold primary elections, which I mention not only because of its historic interest but because it's a way of getting into the subject that I would like to speak to you about on this beautiful day here in Library Park.

I am asking my fellow Americans for their support because I have done a good job for the last 21 months under the most difficult circumstances. Because I have achieved and maintained the peace, moved America on the road to prosperity, and restored confidence and trust in the Presidency, I want a mandate next Tuesday from Oregon and the American people to finish that job in the next 4 years.

Consider for a moment where we were in the very first days and months of my Presidency. Take yourself back to August 8 of 1974. You will recall that some well-known economists, labor and political leaders were predicting that we were heading into a deep depression, that unemployment would soon exceed 10 percent, that only massive action by the Federal Government could avert a tremendous catastrophe.

Inflation had soared to an annual rate of over 12 percent, interest rates were going through the roof, far, far too many Americans were laid off and could not find new jobs.

Just about a year ago, we hit the bottom of the worst recession in 40 years. Many were urging me in the White House to push the panic button. In the Congress, the economic downturn set off a clamor for huge emergency Federal subsidies, for more and more bigger Government programs, and higher and higher deficit spending.

The prophets of gloom were wrong, and I knew they were wrong when they were begging me to do this or to do that. We didn't panic in the Oval Office. I never lost sight of a deep conviction and belief that I have—I have had it all my political life—that a government big enough to give you everything you want is a government big enough to take from you everything you have.

We resisted the big spending schemes that would have caused larger and larger deficits and even more and more destructive inflation. We rejected the old political techniques of tax and tax, spend and spend, elect and elect.

I vetoed 49 bills—42 of those bills have been sustained and the taxpayers of

America have been saved \$13 billion. And I will say parenthetically—not as a threat, of course—if the Congress sends me more of those terrible budget-busting bills, I will veto them again and again and again.

In contrast to what some people were promoting, we pursued a calm, steady policy to ensure America's economic health, not just for a month or just for an election year, but over the long haul we had faith that America's system of private enterprise would regain its strength.

As a result, we meet here in this lovely park on this great day not in the gloom of a recession but in the full surge of economic recovery. 87,400,000 Americans are on jobs today, and this is an alltime record, and it's gone up month-by-month-by-month for the last 12 months. We have added almost 3,300,000 more jobs to the American economy since the bottom of the recession—3,300,000 more jobs than last May and 700,000 more jobs in the last month. I think this is concrete, significant evidence that we are well on the way to the kind of a recovery that we want and we will get.

Now, the special nature of Oregon's economy, its heavy reliance on the products of its wonderful forests have caused it to suffer heavily economically. And I am pleased that Oregon's economy has been steadily improving.

I stopped on the way in from the airport and had the opportunity of going through one of your great lumber mills. I was pleased to meet some of your fellow citizens from this community to see how they take the logs and make the lumber that we use all over the United States. You should be proud of those products. You should be proud of those people, and we are darned glad to get what you produce for us throughout the rest of the United States.

I will not be satisfied until every Oregonian and every other American who wants a job can find a job. That's what we're after. Since August 8 (9) of 1974, when I was sworn in, inflation has been cut by over half, and I intend to get it down ever further. You can look at the record—12 percent in August of 1974, under 3 percent in the first 4 months of 1976.

Now, in addition to America's economic stability and security, we are increasing America's national security. We have the best-equipped, best-trained, best-led fighting force in the world today, and they are all volunteers. That's a good record.

To make positive our military strength remains one of the major objectives, one of the major things that we are trying to do in Washington on your behalf, we must keep America's strength unsurpassed. And a way to do that, in January of last year and January of this year, I proposed the two largest military budgets in the history of America.

And let me say this: Within 4 years, and with a solid mandate from you, we can finish the job and make America truly secure for future generations.

I deeply appreciate this wonderful opportunity to come before you today and talk about the policies that I have implemented—returning the peace, increasing prosperity, restoring trust in the White House.

Today, America is at peace. Your sons are not being drafted, they are not dying in any battlefield anyplace in the world. My policies will maintain the peace, secure the peace through strength and perseverance, and leave the legacy of peace for our children, as well as our grandchildren.

I will continue my policies of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation, and restraining Federal spending.

Federal taxes are too high. We cut Federal taxes last year, and I have recommended to the Congress another \$10 billion tax cut to begin July 1, including an increase in the personal exemption from \$750 per person to \$1,000.

My policies have brought us from the depths of a recession to a sustained recovery, and will ensure that runaway inflation never again robs us or our loved ones of the rewards of honest work and lifetime savings.

I will pursue the steady course that has led us from war to peace, from a recession to recovery, from cynicism to confidence, from faith to fear (fear to faith).

Finally, I will finish the most important job—restoration of trust in the Presidency itself. I did not seek this office, but neither will I shirk it. I need your support to ensure peace, to restore prosperity, to restore the confidence that is so important for 215 million Americans.

The future really belongs to those who come after us. Americans have always wanted life to be better for our children than it was for us, because life for us has been better than it was for our parents.

What do I see ahead for this wonderful country of ours? I see a strong and confident America, secure in a strength that cannot alone be counted in megatons, an America rejoicing in riches that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 12:17 p.m. in Library Park. He was introduced by Representative John R. Dellenback of Oregon 1966–74.

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Exchange With Reporters on Arrival at Portland, Oregon.**May 22, 1976**

GOOD AFTERNOON. It's great to be in Portland. We had a really wonderful stop on our first in Oregon, and we are looking forward to the same opportunities here in Portland, and Pendleton tomorrow.

The reason I'm here is, frankly, to set forth the message that I think is important, the critical one in this campaign. The message is that President Ford has achieved the peace and has maintained it and expects to for the next 4 years. President Ford has turned the economy around so that we are now on a surging upswing from a recession to the kind of prosperity that America needs. And thirdly, President Ford has restored confidence and trust in the White House.

I believe that is what the American people want, and I'm here to ask the help and assistance of the people of Oregon.

I'll be glad to answer a few questions.

REPORTER. Presumably you are going to do rather well here.

THE PRESIDENT. Gee, that is good news. I like to hear that. [*Laughter*]

Q. Have you reversed your views on Reagan's ability to beat a President in the primaries?

THE PRESIDENT. Well, we had a good day this last Tuesday with 65 percent of the vote in Michigan and 58 percent of the vote in Maryland. We think we have restored the momentum, and we are doing our very best to keep the same kind of momentum going here in Oregon and the other five States that have the primaries. We're reasonably optimistic about what's going to happen next Tuesday in all six States.

Q. Do you think you will win in all six States?

THE PRESIDENT. Well, I don't like to quantify something. I think we will do reasonably well, and we are certainly going to make a big effort.

Q. What about the action of the uncommitted New York delegation?

THE PRESIDENT. Well, we understand that the New York delegation is meeting some time this weekend. That was done on their own, and if they take the action, we will get a good bunch of delegates that have been uncommitted that will come into the President Ford column.

The Pennsylvania delegation is meeting today. I can't forecast with any certainty what they will do, but I have a lot of friends in that delegation.

Q. President Ford, would you say that those uncommitted delegates are largely committed to you?

THE PRESIDENT. I am told that that's true. And if it is true, I'm very, very pleased. We just got some word that the Vermont convention was held, and we got all 18 in Vermont, which is better than we anticipated.

Q. Senator Howard Baker of Tennessee was with Ronald Reagan the other night. What about that?

THE PRESIDENT. I think Senator Howard Baker, by having as his house guest overnight my opponent, was just typical Tennessee courtesy. I'm told that Senator Baker wore a big Ford button all the time that he was being courteous and thoughtful, like all Tennesseans are to anybody from out of State.

REPORTER. Thank you.

THE PRESIDENT. Thank you all very much.

NOTE: The exchange began at 1:48 p.m. at Portland International Airport.

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Remarks at a Republican Party-President Ford Committee Reception in Portland. May 22, 1976

THANK YOU very, very much, Craig. And I want to thank Vic and Wendell, who have been with me and who are here.

It's been a great privilege and pleasure for me to stop in Medford. We had a tremendous welcome and reception in their famous Library Park.

We have had an opportunity to say hello to some other fine people in Oregon. And to come here to the PFC headquarters and to see this tremendous group, believe me, I am absolutely confident that we're going to win in Oregon by a good margin on Tuesday.

No candidate can win—I have been through 13 congressional campaigns, I am in one now, I have gone to many States as we have gone down the road of these various primaries—you can't win unless you have the kind of support that comes from people like you.

I have noticed that we have done the best where we have had the best organization. And I can just feel from shaking hands with you, saying hello, hearing about you from others, that you are tremendous.

And so, I thank all of you. And let me say, for the work that you have done and the fact that we are going to win in Kansas City and win in November, I pledge to you that I will not let you down for the next 4 years.

I was so pleased that Betty came out here a week or so ago. I send her out ahead of me so she can get my votes up to her polls. [*Laughter*] And then Steve

was here a couple of days ago, I guess, on his first—but you know who preceded the whole Ford family coming out to Oregon? Liberty came out here. [*Laughter*] And Liberty came back to Washington with nine wonderful puppies. [*Laughter*]

But anyhow, let me take a minute or two to give you first-hand the theme that I am trying to spread across the length and the breadth of this country—very direct, very forthright—that since I became President, we have restored confidence and trust in the White House.

Since I became President, we have turned around the worst economic recession in 40 years, and we are on the upswing toward a healthy, prosperous America.

And, number three, since I became President, we ended the war. We have achieved the peace. We have the peace. And the programs that we have of a military strength and diplomatic skill will keep the peace in the future.

We have peace. We are achieving prosperity. And we have restored trust and confidence. That is what the American people want, and the record is clear.

Let me add just a word or two about the three points that I have made. August 8, 1974, wasn't a very good circumstance for this country. And when I took the oath of office, we had some problems. But we have had an open, forthright, candid, I think, an administration of integrity.

One basic promise that I have made in all of my political life: I never promise more than we can produce, and we produce everything that we promise.

If you will go back and check the economic statistics on August 8, 1974, we were suffering inflation of over 12 percent. The good news that we have gotten progressively is that the rate of inflation is going down. And for the first 4 months now of 1976, on an annual basis, it's under 3 percent. It's a 75-percent reduction in the rate of inflation. That's a good record.

A year ago today, unemployment was rampant; employment was falling. But in the last 12 months we have regained 3,300,000 jobs. In the month of April, we added 710,000 jobs. And the net result is, as of the last reporting date for April of this year, there were 86,400,000 people gainfully employed in the United States—the largest number in the history of our country. That's progress.

As I said earlier, we have achieved the peace, we have the peace, and we are maintaining the peace. We have the diplomatic skill and the military capability to handle the problems that we foresee.

I am making a speech in Portland tomorrow night (tonight) on foreign policy, and I will discuss it in some depth. But I want to assure you that the United States is unsurpassed in military capability. Our programs for the Army,

the Navy and the Air Force and Marines are fully sufficient to meet any assigned missions that they have—to protect our national security, to deter aggression.

And let me assure you that the United States of America has the will to meet any challenges. Our mission is not to bully, not to back off; our mission is to go down the line of fairness and equity and strength and peace, and that's what this administration stands for.

So, I thank you all for what you have done, and I know that in the next 72 hours you are going to maximize your effort. I have seen good teams lose a ballgame in the last quarter. The PFC committee in the State of Oregon is not going to lose in the last quarter; you are going to do better in the last quarter. And that's the way we can make certain and positive that you show the way for the west coast; that the momentum we have got in Michigan with a 65-percent margin and 58-percent margin in Maryland is the kind of momentum we're going to have right on through June 8 of this year.

Thank you very much.

NOTE: The President spoke at 2:25 p.m. in the West Ballroom at the Sheraton Portland Hotel. In his opening remarks, he referred to Craig L. Berkman, chairman, and Oregon State Senator Victor

Atiyeh, honorary chairman, Oregon President Ford Committee, and Representative Wendell Wyatt of Oregon 1964-74.

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Remarks and a Question-and-Answer Session in Portland With Members of the World Affairs Council of Oregon.

May 22, 1976

Thank you very, very much, Edith, Mrs. Stoel, President Howard, Mr. Pamplin, Liza Morrison, members and guests of the World Affairs Council:

It is a very great privilege and a tremendous honor for me to have the opportunity of participating in this program tonight. And one of the nicest things that I find in traveling around the country is seeing, getting reacquainted with very good and very fine friends, such as Edith Green. I think she set forth much more articulately than I our relationship as Members of the House of Representatives for 20 years.

But let me say something concerning her, if I might take a minute or two. There was no person on the House floor who could speak more eloquently and with more knowledge and more dedication in a wide variety of fields than Edith Green. But she was the best when it came to the problems and the solutions

in the field of education. We miss Edith Green in Washington. I miss her, as President of the United States, and the quality of the Congress suffers because of her return to Portland.

Edith, it is a great privilege to see you, and I thank you for your very generous and very kind remarks.

Not surprisingly, I would like to take this occasion to talk somewhat seriously about foreign policy—not the Truman or Eisenhower or Ford policy, nor the Acheson, or Dulles or Kissinger policy, but the overall foreign policy of these United States of America.

That is one of the things we wrote the Constitution to better manage, and I am entrusted at this time with the conduct of our relations with other countries. We cannot have 535 elected officials and as many more candidates making the critical foreign policy decisions that arise daily and sometimes hourly, though there is no law against anybody criticizing them, as I have discovered along with my predecessors. [*Laughter*]

Domestic political tides ebb and flow, but foreign policy is a continuous stream. Its course is affected by changes in elective officials, but it is mainly formed from our geography, our ancestral ties, our natural resources and economic needs, and above all, the common principles and beliefs on which our Nation was founded 200 years ago.

Hard-nosed Yankee traders and persuasive Southern planters we were then, but our foreign policy was never the cynical, cold-blooded calculations of our rivals, past or present. Americans have always looked outward, as at home, with generous measure of idealism.

American foreign policy has been shaped not only by the realities of an imperfect world order and by events that we cannot control, but also by certain truths we believe—inalienable rights such as freedom and justice, self-determination, and the duty of the strong towards the weak, and the prosperous towards the poor. As we have matured and grown more mighty, we have learned some hard lessons in world affairs—that we cannot force freedom on the unwilling, that we cannot police every distant corner or fill every empty bowl.

We have made mistakes. We have been disillusioned. But we have never wholly abandoned Jefferson's decent respect for the opinions of mankind or Lincoln's faith that right does make might or Eisenhower's that freedom today is indivisible. Thus, our foreign policy today is a mixture of the principles that unite us and make us the hope of freedom for others, and the practical counsel of George Washington that the best way to preserve peace is to be prepared for war. Peace through strength is neither a new policy nor a bad one.

Instead of taking you around the world tonight and telling you how many countries I have seen and statesmen I have met or how many hours I have spent with the National Security Council before making the tough decisions of the past 22 months, let me tell you how I arrived at the conviction I have about America's place in the world.

I graduated from the University of Michigan in 1935, torn between my lifelong dream of being a lawyer and making some money playing professional football. [*Laughter*] I didn't think much about foreign affairs or government or even politics.

My first look at the Pacific Ocean was when I went to San Francisco to play in the Shrine East-West New Year's football game. A few months later, I got my first look at the Atlantic. Ducky Pond offered me a job as an assistant football coach at Yale, and I hoped to study law at the same time.

But Yale Law School had an ironclad rule against students holding fulltime jobs, and it took me 2 years. I took one summer off in 1940 to campaign for Wendell Willkie, my first involvement in the political process.

Between the law library and the locker room, we knew that the war clouds over Europe and Asia were darkening our own skies. And Willkie was right in saying America was part of one world. We felt in our hearts that the United States should stand with the forces of freedom and decency against Hitler's outrages, but we had grown up in the wake of the First World War, and maybe this time America ought to mind its own business.

I had just hung up my Yale diploma in Grand Rapids, Michigan, when Pearl Harbor was attacked, and soon I was back to the Pacific again. For me and millions of others, that was a drastic turning point.

We returned from World War II determined to build a peace that would last for our children and their children. We were convinced this could only happen if the United States assumed its full responsibility of leadership in the world. We considered that a very small price compared to the sacrifices our comrades had made. We went home to convince our friends as well as our neighbors.

We knew then, as we know today, that only through the strength and staying power and firm purpose of America could peace be maintained and freedom secured.

I ran for Congress in 1948 on a policy just like that, of strength and responsibility and perseverance in the face of the new Communist challenge, and that is still my position today.

United States foreign policy must never be made by an elite establishment nor bent to the fears of a frustrated few. It must reflect the real purposes of the American people when they follow their very finest instincts.

There are issues of tremendous complexity and equally great opportunity on our international agenda for the next 4 years. I cannot cover all, but will discuss several.

Let's talk first about our relations with the Soviet Union, with which we are negotiating in a number of areas to improve stability between the superpowers and further reduce the danger of a runaway nuclear arms race and the risk of thermonuclear holocaust. Take SALT II, the talks on limiting strategic nuclear weapons. Both sides have more than enough of these terrible weapons to deter any attack by the other side. But in the absence of any agreements, the requirement to avoid strategic inferiority has impelled both sides to keep on building more systems at a tremendous cost.

What are we trying to agree to? A maximum figure for strategic missile launchers and bombers that either side can have ready for use at any given time. At Vladivostok, for the first time, I got the General Secretary, Mr. Brezhnev, to agree to equal numbers for us as well as for them. For years previously the Soviets had insisted that their situation required that they have more than we. The strategic weapons of our NATO allies wouldn't be counted against our own total.

What's more, the numbers we agreed on require them to destroy some existing strategic systems and allows us to finish our present program. If they want to build new ones, they must scrap the same number of old ones. That was a good deal for the United States, and I'm darned proud of it.

So, what we are hung up on at the present time? The fundamental remaining issue is how to deal with certain new systems—we call them gray area systems—which are capable of either strategic or tactical use. We are working hard right now to resolve the problem in a way which preserves the interest of both sides.

If we succeed, I will promptly send the negotiated treaty to the Senate for full public scrutiny and public debate. The same is true of the peaceful nuclear explosion agreements, which were concluded earlier this month after 18 months of highly technical negotiations. For the first time since they exploded an atomic device, the Soviets have agreed to allow Americans on their territory to inspect large-scale peaceful explosions and make sure that they are not secret weapons tests.

This is an historic breakthrough for more certain verification procedures to

ensure that nuclear agreements are being lived up to. It's a good deal for the United States, and again I am proud of it. I intend to sign it in a simultaneous ceremony in the very near future.

Finally, we are continuing negotiations to reduce the NATO and Warsaw Pact forces that face each other all across central Europe. This is the only place where American and Russian ground forces are positioned literally eyeball-to-eyeball and thus involves the danger of triggering a direct confrontation.

The issues are very complex in these mutual and balanced reduction of forces talks which involve our allies in NATO and the members of the Warsaw Pact. Progress has been slow, but we intend to continue them because agreement would enhance military stability in Western and Eastern Europe at lower force levels. That would permit us to bring some of our troops home from Europe, as well as to reduce the level of allied forces on both sides.

Any agreements we reach in areas I have discussed will require Senate debate and ratification. Any suggestions that we are doing something in secret or not taking a tough line is just so much nonsense. We are as tough as anyone can be without junking the possibility of an agreement.

Whenever I get a good agreement for a safer world, you can be sure I won't pass it up for any political advantage or disadvantage.

Turning from direct arms negotiations with the Soviets, let's look for a moment at the Middle East. There we are determined to maintain the momentum of the Sinai agreement, in which the leaders of both Egypt and Israel trusted the United States sufficiently to take an historic first step toward a peace settlement after decades of distrust and four costly wars.

We have demonstrated our friendship and fairness towards a moderate Arab State, and at the same time strongly reaffirmed our commitment to the security and to the survival of Israel.

Only the United States can exercise such influence for peace and stability in this very volatile region, and I am proud of the progress that our country has contributed in this very difficult area.

Finally, there is Africa. It contains a wealth of resources and many newly independent nations. It commands the sea lanes of the South Atlantic and the Indian Ocean, and the Soviets are interested in all these things.

When we tried by a relatively small amount of military aid without involving a single American soldier to help the two authentic elements in Angola against the Soviet-sponsored faction, Congress said no, you can't spend a penny to save Angola. That was last December.

Our own political paralysis, the military success of Cuban mercenaries in

Angola, an increased Soviet involvement accelerated the trends toward radicalism and violence in southern Africa. So, I sent Secretary Kissinger on another mission. This time not to restore peace but to try to prevent a race war from breaking out.

The cooperative programs he proposed for economic aid were important, but more important was the message to black Africans that America cares, that we oppose domination of that continent by any outside power, and that we support for their new nations the same principles we proclaimed for our own 200 years ago—self-determination, majority rule, and the full protection of minority rights.

If anybody cautioned me that taking prompt diplomatic countermeasures to check Soviet involvement and Cuban adventurism in southern Africa would have a political spinoff at home, I didn't listen very long. We did what was right, what was necessary, and there was no time to lose. So far, it has worked out well, and Secretary Kissinger deserves credit instead of criticism.

I could list a lot of other foreign policy programs, and the daily decisions that they bring to the Oval Office, but the long and short of it is United States foreign policy is a tough job, one that goes on all the time and can't be put on the back burner every time we have one of our free elections every 4 years.

It isn't a job for babes, and it isn't a job for bullies. When I first became your President 22 months ago, I pledged to all nations, friend and foe alike, an uninterrupted and sincere search for peace. I will neither retreat nor mark time nor shorten my stride in continuing that search.

I promised that America would remain strong and united but that our strength would remain dedicated to the safety and to the sanity of the entire family of man, as well as to our own precious freedom. The modernized and reinforced military forces and weapons systems I have proposed in my two record defense budgets will be dedicated to freedom and sanity as long as I am President.

I remember President Eisenhower saying that only the brave are strong and only the strong are free. And I also remember President Kennedy saying that cold January day, we must never negotiate from fear, but we must never fear to negotiate.

When the United States has serious disagreements with other sovereign nations, we have really only two choices—to fight about it or to talk about it. Threats are not only risky but rather old-fashioned in today's world. I will not hesitate to use force when it is clearly required to protect American lives and American interests, but I will make no threats I cannot carry out in full com-

prehension of the cost. Every President has that grave responsibility to the people that he serves.

I am proud of my leadership in the foreign policy of the United States. I intend to go on trying to do what is right for America and what is right for all mankind. We are at peace. No Americans are dying on any battlefield tonight. There are no international wars, though there are many areas of tension and serious danger.

We have suffered a few setbacks, tragic ones, and some disappointments in the course we have taken since World War II, but we have not had World War III. We have built a solid alliance of free peoples across the North Atlantic. We have made friends and partners of former foes in Europe as well as in Asia. We are expanding trade and cooperation with the nations washed by the Pacific. We have strengthened our traditional ties with France, Canada, Mexico, Central and South America. Over the past 30 years since we came home from the Pacific and other theaters of war to make a better world, we have not blown up civilization, and we have preserved our freedom.

There is more contact among peoples and more communications among governments—a greater sharing of ideas, knowledge, and cultural riches than ever before in the history of the entire world. The levels of human help, learning, and economic well-being are rising almost everywhere. Surely we must be doing something right, and I intend to go on working for a better world.

Our adversaries are still determined to defeat us and bring all nations into conformity with their system in which almost any means are justified if they advance that ultimate victory. But we have no reason to fear their competition as long as we remain strong and true to our principles, our system, which has already proven its superiority in every way. As we must never lose our vigilance, neither must we ever lose our vision.

Thank you very much.

I thank you very, very kindly, and I would now be glad to answer any questions from the audience for a few moments.

QUESTIONS

Q. Normalization of relations with the People's Republic of China was begun by your predecessor, and it is as of yet incomplete. The exchange of ambassadors will certainly create many adverse reactions in certain areas, particularly with Moscow and the Taipei Government in Nationalist China. What, in the future, will your position be on this issue?

THE PRESIDENT. Well, in 1972 when we reopened the doors between China and the United States, a Shanghai communique was issued which called for the gradual movement of better relations, broader relations, deeper relations, aiming at some point to normalization of relations.

I believe very strongly—having been there in 1972, again having gone back in 1975—that it is important for the United States to have a broadened relationship with a nation that geographically is the largest in the world, and 800-some million people.

The progress of that relationship is on schedule. It will continue on schedule as long as I'm President. We will meet any of the problems you mentioned at the appropriate time, but so far the relationship is constructive, on schedule, and when we have any problems of the kind you're mentioning, we will meet them and handle them.

Q. Mr. President, Cornell and Harvard Universities have recently said a cure for spinal cord injuries is possible. I am sure that you will agree that research on spinal cord regeneration is desperately needed. The National Foundation for Paraplegic Research is attempting to raise funds. Would you help us to walk again and people like us all over the world, by funding money to this very worthwhile cause?

THE PRESIDENT. I didn't hear the last part.

Q. Would you help people like us all over the world to walk again by funding money for this very worthwhile cause?

THE PRESIDENT. Let me say that just the earlier part of this week I met in Washington with a young man—he came from the West, I've forgotten his name—who had a tragic injury, and he was selected as the young man or the individual of the year to represent those like himself, as well as yourself. I indicated to him at that time that we had gotten the Veterans Administration, where many of these cases are treated, more money and we are putting a greater emphasis on that program in the VA.

I hope that we can broaden our efforts. I am sure you are familiar with the fact that this young man went to the Soviet Union and had an operation there because they are allegedly further ahead in this area than we. He came back feeling that that operation conducted in Moscow had been helpful and beneficial to him.

So, that is one of the reasons why it is good for us to have an exchange, whether it is in medical matters or in cultural matters or in trade matters or anything else. And I can assure you that we in the executive branch of the Govern-

ment will do all we can funding-wise and otherwise to help in the kind of a case you mention.

Q. Mr. President, my question is that on May 12 the Chancellor of West Germany, Chancellor Schmidt, in the Bundestag, called for trade and economic policies of Hjalmar Schacht. He was financial minister to Hitler and praised the economical policies of Hitler.

That hideous statement was not covered in the United States press. I am sure you are familiar with it. I just wonder if you could please comment on that?

THE PRESIDENT. I don't think it's appropriate for me to involve myself in the internal political life of another country. And I would have to, in addition—before commenting, if I did—read the whole text of what Chancellor Schmidt said and not a part, as indicated by you, because it might have been taken out of context.

Q. Mr. President, I have a question about Africa—in specific, Rhodesia. This last week there was an article in Time magazine that had a commander in the Rhodesian army who made a statement that Kissinger was 6 months too late in Africa in his addresses and so on and our policy there. If this statement is correct, why were we late?

THE PRESIDENT. We wouldn't have been late at all—if we are late—if the Congress had supported us with the minimal amount of money in letting us support the two, what I say were authentic Angolan forces—the FNLA [National Front for the Liberation of Angola] and the UNITA [Union for the Total Independence of Angola]. But that tragedy did interfere with any efforts that we could make at an earlier date. And, in addition, Secretary Kissinger went there not only for the purposes of trying to prevent the radicalization but also to present a very comprehensive program to the United Nations—trade, and so forth, UNCTAD [United Nations Conference on Trade and Development]—which he did, which was a very dramatic and I think a very constructive program, which was embraced by the leaders of virtually every one of the African nations.

So, it was a combination of circumstances—one, the situation in Angola; and secondly, the scheduled meeting of the UNCTAD organization. There was nothing deliberate on our part. It was simply a circumstance beyond our control. I don't believe, however—or don't agree, I should say—with the observation of the Rhodesian that you quote because I think we have gotten a moderate African nation to turn back from radicalism and come back to a responsible position. And I think we have blunted the most radical elements in southern Africa, and the situation is infinitely better today than it was 6 months ago.

Q. Mr. President, I have resided in the city of Portland for more than 40 years. I'm a citizen of this great Nation, which I am very proud of, and I'm honorary councilman for the Republic of Lebanon for the last 20 years. All my life that I have been in this great Nation I have been commended for the beautiful Lebanon culture and everything that goes with it.

I'm sure you are aware of it. It just breaks my heart. And I know every American that I know in this city here, they call me, they see me, they see the news in the paper and just don't know what to say to me. Now, what are we doing in a country that has been pro-Western, pro-United States that would let that country be destroyed little by little? I would appreciate a comment on that, Mr. President.

THE PRESIDENT. You are exactly right. The tragedy in Lebanon is one of the saddest situations that has taken place in my lifetime. Up until a year, year and a half ago, Lebanon was the epitome of stability and strength. And it was the most secure and prosperous nation in the Middle East by any standards.

You know as well, if not better than I, that there has been a very arbitrary division between the Muslims and the Christians within their government. The President had to be of one faith, and the Vice President had to be of another faith.

The situation began to deteriorate, and then outside forces began to involve themselves, and the net result was we have had about 20,000 killings. It is just sad, but it got on a roller coaster. And about 6 weeks ago I sent one of our most able, retired ambassadors, who just retired about a year ago—Dean Brown—over there to see what we could do in an affirmative way to bring the Christians and the Muslims together and to try to keep all outside forces away from this situation.

He was there. He had contact with President Franjeh. He had contact with all of the other elements, and we were successful in restraining the Syrians from coming in in any major force. And if they had come in in a major force, I'm certain that the Israelis would have countered with a major force of their own.

So, we had to keep Syria out as best we could with any regular forces. We had to keep Israel out because that would have ignited another Syrian-Israeli war. We, I think, have gotten the best and seemingly the most permanent cease-fire. The net result is that perhaps the newly elected President, Mr. Sarkis, will be able to take over, and we hope that Mr. Jumblatt will support him. We hope that the Syrians will give some support; the Israelis will stay out.

There have been some newspaper stories today which you may or may not

have read to the effect that the new Lebanese Government has asked that the French send in a very limited force to help stabilize the situation until a central government can be reestablished. Whether that will take place or not, I can't tell you. But we have a new President, we are hoping that they can establish a viable central government, that the outside forces will stay out.

I could go on with the complexities because you have the Egyptians favoring one element of the Palestinians and the Syrians favoring another element of the Palestinians, and you have the Israelis involved indirectly. It is the most complex situation today I think in the world. But slowly but surely we're making—I don't mean we alone—but substantial headway is being made. And I just hope that with patience and perseverance we can sort it all out and restore Lebanon to the great role that it had for a good many years.

Q. Mr. President, my name is not important, but my question is. What will be the role of covert intelligence operations in U.S. foreign policy in the future?

THE PRESIDENT. I believe under the reorganization of the intelligence community, which includes the CIA, the Defense Intelligence Agency, and any other intelligence departments in our Government, the reorganization that I instituted to guarantee the protection of individual rights, and that there will be a central control of the intelligence community with a group of three that will have supervisory responsibilities for any criticisms or any objections, will take care of the overall intelligence operations. That's on the affirmative side.

Now, you asked the question, in effect, should the United States undertake any covert operations. In my opinion yes, if it involves our national security.

Q. Thank you, Mr. President. We have time for one more question.

Q. Mr. President, may I ask you to state your stand, please, on the controversial Panama Canal issue?

THE PRESIDENT. Following the riots that resulted in 24 deaths in December of 1964, where 20 Panamanians and 4 Americans were killed, President Johnson undertook negotiations with the Government of Panama to see what could be done to negotiate a long-term treaty that would involve, during the terms of the treaty, the United States having defense responsibilities and the right to maintain and operate the canal. Those negotiations continued under President Johnson during his term of office and likewise under President Nixon. They are still continuing.

I believe that the United States should negotiate an affirmative agreement that will make certain that our national interests are protected and that we have the right of free access to the Panama Canal.

Now, there are some who say we should break off negotiations. I think that

would be foolhardy because it is inevitable, if those negotiations were terminated, that we would have a resumption of the riots that took place in 1964. It is inevitable that there would be sabotage of the canal, and every military leader that I have talked to says that sabotage of the canal is a very easy military operation. It's inevitable that every Latin American country—25, with some 309 million Latin Americans—would be on the side of the Panamanians and against us. And, inevitably, there would be riots and bloodshed.

We can avoid that if we negotiate a responsible canal treaty of long-term duration well into the next century and, in the meantime, we keep our national defense needs and requirements so that they are protected. And, as long as I am President, they will be protected.

Q. Thank you very much, Mr. President.

NOTE: The President spoke at 8:30 p.m. in the Pamplin Sports Center at Lewis and Clark College. In his opening remarks, he referred to Caroline P. Stoel, president of the World Affairs Council of

Oregon, and John R. Howard, president, Robert B. Pamplin, chairman of the board of trustees, and Liza Morrison, student body president, Lewis and Clark College.

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Commencement Address at Warner Pacific College in Portland. May 23, 1976

Thank you, Dr. Gilliam, Senator Hatfield, my good friends and former colleagues in the House of Representatives, Edith Green and Les Arends, members of the class of 1976, faculty and guests:

Let me congratulate the wonderful choir. Those of us who are so incompetent in that area greatly admire and appreciate those who are so good. Congratulations.

I am honored to address this year's commencement exercises at Warner Pacific College. I congratulate today's graduates. I also congratulate the parents, families, friends, and President Gilliam and the faculty of this very fine school. I know that they must all be proud, as I am, to see another group of young Americans well educated, well prepared to take their place in our Nation's life.

As President, I'm constantly aware that the ultimate authority of our Republic is not in the White House; it is in the people. That is why I want to finish my most important job—restoring the public's trust in the Presidency itself. I did not seek this office, but neither will I shirk it.

When I became President, as you were about to start your junior year, this country was faced with very serious problems. Underlying those problems was

a crisis of confidence in our government, a crisis of spirit among our people. America had been buffeted about for more than a decade with shocks to its system that would have crippled a lesser country—political assassinations, a long and frustrating war, riots in our streets and on our campuses, economic distress, scandals at the highest level.

In the few hours before this responsibility was suddenly thrust upon me, I was asked what verse I wanted the Bible open to when I took the oath of office. I turned to the Bible, which had been given to me when I became Vice President by my oldest son, Mike, who is a divinity student in Massachusetts. Ever since I was a little boy I have used a very special verse in the Bible as a prayer. I am sure that many of you are familiar with it. It comes from the Book of Proverbs and it says, "Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths."

That was the verse that I placed my hand upon when I took the oath of office, administered to every President since George Washington. These words have meant very much to me as I confronted the problems of this country.

When I received your invitation to address Warner Pacific, I welcomed the opportunity to address an institution that encourages civic virtues based upon the highest spiritual values.

I agree with Theodore Roosevelt's observation that "to educate a man in mind and not in morals is to educate a menace to society." Too much of our education today caters to the ego of the individual rather than the true growth of the human personality. I am therefore very grateful that excellent institutions such as Warner Pacific continue to inspire individual growth.

Our national life has reached a point where we must recover transcendent qualities of spirituality and morality. I know of no better way for Americans to achieve personal and social regeneration. Franz Kafka wrote earlier in this century that "the fathers of the church were not afraid to go out into the desert because they had a richness in their hearts. But we, with richness all around us, are afraid because the desert is in our hearts." As you today begin a new phase in your lives, I count on you to discover a spiritual richness in your hearts. America relies upon such an inward quest far more than an outward reach to the moon or even to the stars.

We have come a long way in 200 years. Our first century was one in which we perfected our free system of government. Our second century saw the growth of the most productive economic system of all time, with wealth more widely shared. What do I see for our third century? I see it as a century when the indi-

vidual regains and enlarges his personal freedom. Men and women must prevail over the endless agencies and organizations that would reduce human beings to computerized abstractions and program people into numbers and into statistics.

I place a very high premium on creativity, originality, and your right to differentiate yourself from the mass. Today's mounting danger is from mass government, mass education, mass technology. I am determined to prevent conformist pressures from smothering individual expression or stifling individual opportunity. Individualism must stand as the sentinel of 1976 against the monolithic threat of sameness in our society.

Never forget that in America our sovereign is the citizen. The government and institutions exist to serve the people. The state is a servant of the individual in that it must never become an anonymous monstrosity that masters everyone and is responsive to no one. These propositions are the foundations of our Bicentennial.

My vision of America's third century is one of an era of achievement rather than apathy, of fostering the ennobling and transcendental qualities of the individual spirit rather than building huge, new bureaucracies.

Two centuries of sacrifice and struggle, of conflict and compromise, have won an unprecedented measure of political and economic independence for each of us. I am proud to be the President of a free government that can check and balance its own excesses. I am proud of our free economic system, which corrects its own errors, controlled by the marketplace of free and enlightened consumers. I am especially proud of the role of free education in preserving individuality.

Today, I challenge educators, students, and graduates to regain the commitment that made America great. Each generation brings a new spirit of competition, new reservoirs of enthusiasm, new responsiveness to the humanitarian needs of others, and regenerated pride in personal independence.

Your generation bears a very special task—the preservation of individualism—but you do not bear that task alone. You bear it with your families, your communities, your schools, and your churches. Americans have the highest living standard ever obtained by a nation of this size, but if our material strength is to have any meaning whatsoever, we must seek moral and spiritual growth.

Each generation faces new difficulties and new challenges. Surely, we have no less need of an abiding faith than did the Oregon pioneers who established a new life in the American wilderness. We have no less need of faith than the American colonists when they flung their challenge of independence in the face

of the world's most powerful empire. We have no less need of faith than your fathers who found no atheists in their foxholes.

The faith of our fathers is living still in America today. It will live as long as freedom rings in this land of liberty. In the stirring words of "America," "long may our land be bright, with freedom's holy light, protect us by thy might, great God our king."

Thank you very much.

NOTE: The President spoke at 10:45 a.m. in the Center for Christian Ministers Auditorium. In his opening remarks, he referred to Dr. Joe D. Gilliam, president of Warner Pacific College.

Following his remarks, the President was presented with an honorary doctor of humane letters degree by Dr. Gilliam.

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Exchange With Reporters on Arrival at Pendleton, Oregon. May 23, 1976

I HAVE had a wonderful day and a half in Oregon, I had a great time in Medford, and we had a delightful time in Portland. And now it's wonderful to be in the sunshine here in Pendleton.

The message that I'm trying to get across here in Oregon, as well as throughout the United States, is very direct—that in the last 21 months, under the Ford administration, we have made a great deal of progress.

When I took office we had many, many problems. The problems were the restoration of confidence in the government, particularly the White House. We were faced with some very serious economic problems. We were faced, also, with problems overseas that had to be resolved.

In the 21 months that I have been President, confidence and trust have been restored in the White House. We have met successfully the economic problems that included inflation of over 12 percent. We have reduced it to 3 percent or less for 1976. We have added 3,300,000 jobs in the last 12 months—710,000 jobs in the last month alone. We are well on the way to a surging economic prosperity. And I believe that during the 21 months, we have achieved the peace, we are maintaining it, and we expect to continue it during the next 4 years.

I appreciate the very warm welcome I have had in Oregon. It has been a delightful time, and we look forward to an optimistic result on next Tuesday.

I would be glad to answer a few questions.

REPORTER. In 1978 the moratorium ends on diverting water to the Southwest.

I am wondering what your stand as President would be if this issue comes before Congress again?

THE PRESIDENT. Well, when I was in the Congress, I supported the present arrangement. And unless the evidence is overwhelming to the contrary, I would support it in the future.

Q. The latest delegate count puts you ahead—

THE PRESIDENT. That's very encouraging news. We had a good day yesterday. I think the momentum has turned very directly on our side. And we hope to keep the bandwagon rolling so we can have a first ballot victory in Kansas City.

Q. —yet there are reports that you are deemphasizing in California. Is that true?

THE PRESIDENT. Not at all. I'm going to spend 2½ days in California. We are going to make a very major effort in California.

Q. Mr. President, in your plan to cut away 40 years of redtape—you mentioned industrialists and farmers—how long do you think it's going to take for your plan to help the little fellow with the corner grocery or the average small businessman in a town the size of those here in Pendleton?

THE PRESIDENT. Well, as we make an overall approach to the deregulation on a broad scale, and as we try in the next 4 years with the proposal that I have submitted to the Congress, I think you can see some real progress. It will take the cooperation of the Congress. We expect to get it, because I think the American people want it.

Q. Ronald Reagan says the attitude of the Attorney General apparently signifies some sort of change in attitude of the administration toward busing. What is the attitude now of your administration toward busing?

THE PRESIDENT. There is no change in my attitude. I have been totally opposed to court-ordered, forced busing to achieve racial balance, because that is not the right way to get quality education. The Attorney General is investigating the possibility of filing an amicus curiae proceeding, as far as the Supreme Court is concerned. He will make the decision, if the facts justify it, and he will report to me when he has made that decision.

But the basic attitude of the Ford administration is the same as it has been during my tenure in the Congress and in the White House. Quality education is not achieved by court-ordered forced busing.

Q. Mr. Reagan hit your agriculture policy very hard in his visit here yesterday. He said we must return to a free market system in agriculture.

THE PRESIDENT. During this administration, we have had a free market system. We have sold more of our farm commodities overseas in my 2 years in office than any time in the history of the United States.

Last year we sold about \$22 billion worth of American agricultural commodities overseas, an alltime record, and in 1976 we expect to do even better. We believe that the farmers are prospering because of our strong export program, and we have exported more American commodities during the Ford administration than at any time in the history of American agriculture.

Q. Can you maintain your delegates lead after Tuesday, the six primaries on Tuesday?

THE PRESIDENT. I think we will.

Thank you very much.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 1:19 p.m. at Pendleton Municipal Airport.

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Remarks in Pendleton, Oregon. May 23, 1976

MY DEAR friend, the former Governor and former Senator from the State of Idaho, Len, I want to thank you for coming from Idaho, for bringing a number of people from that great State to greet me here at Pendleton. I only wish that I had the time to stop in Idaho, and I hope and trust that you will express to all of your literally thousands of friends in Idaho my very best wishes. And tell them that I appreciate their support and will not let them down.

Mr. Mayor, distinguished guests, fellow Americans:

At the outset, let me express my deep appreciation to the fine Pendleton band. You are great. I am grateful, and God bless you.

May I express my gratitude to the Seever family. That is great, great music. I have a very special family reason to thank the Seever family. Our third son, Steve, is trying to become a rodeo rider, a bronco buster, whatever you call them. [*Laughter*] He is just a beginner. He won't like me to classify his skill in that way, but a few months ago he got a Seever saddle. He has been doing a lot better ever since.

I flew out here yesterday morning to spend 4 days campaigning, meeting people on the west coast, and my very first stop was right here in the great

State of Oregon. I am glad to be here. I know you are always glad to be in Oregon. This is God's country.

Some States have mountain ranges; some border on the ocean; some have fertile and productive lands, broad forests, sparkling rivers. In some you can ski, in others you can swim. But here in Oregon, you got it all.

My message to all of you in this beautiful spot here today in Pendleton can be summed up in a very few words. As much as I believe in a strong and prosperous American automobile industry, I have come here to say that this year is absolutely no reason whatsoever to trade in your reliable Ford for a flashier model.

Let me tell you why I am asking you, my fellow Americans, for your support. I have done a good job under the toughest kinds of circumstances, and I would appreciate your wholehearted support. We have achieved and maintained the peace, moved America on the road to prosperity, and we have restored the confidence and trust in the Presidency of the United States.

I ask you for a mandate here in Oregon—and the American people—to finish that job in the next 4 years.

Peace, prosperity, and trust are my record of performance since I became your President. It is a record achieved against almost insurmountable obstacles. Consider where we were in the very first few months of my Presidency. You will recall vividly, as I can, some well-known economists, some labor and political leaders who were predicting that we were heading into a deep depression, that unemployment would exceed 10 percent and that we would have all kinds of troubles for the next months and the next years.

They alleged that only massive Federal spending by the Government in Washington could avert a catastrophe. Inflation had soared at an annual rate of over 12 percent. Interest rates were going out of the roof. Far too many Americans were being laid off, and too few could find new jobs.

Just about a year ago, we hit the bottom of our worst recession in 40 years. Many were urging me to push the panic button.

The Congress—the economy was bothering them as it was bothering me. The economic downturn set off a clamor in the House, as well as in the Senate, for huge emergency Federal subsidies and for more and more and more and bigger and bigger Federal programs, which inevitably would have added significantly to our deficit and contributed even greater to the inflation that we were suffering.

The prophets of gloom were wrong. Because I had the faith in the American economy and faith in the American people, I knew they were wrong. We didn't

panic. We didn't lose our cool. I never lost sight of a deeply held belief that I have, that a government big enough to give us everything we want is a government big enough to take from us everything we have.

In those difficult months we resisted big spending schemes that would have caused larger and larger Federal deficits and even far more destructive inflation. We rejected the discredited techniques of all politics, of tax and tax, spend and spend, elect and elect.

Instead, we pursued a calm, constructive, effective policy to ensure America's economic health, not just for an election year but for the long, long pull; for us, yes, but more importantly, for the young people that I see in this great arena here today. And that is what America is all about.

We had that deep-seated faith of the American system, that private enterprise would regain its strength. And, as a result, we meet here today not in the gloom of a recession or a depression, but in the full surge of an economic recovery.

One very major contributor to the strong economic recovery we are experiencing is the success, the tremendous contribution and success of American agriculture. And the State of Oregon has played a very major role in that progress and that success. And as I flew from Portland here, it was one of the most enjoyable, one of the greatest experiences to see your fields, your equipment, and to see what all of you do to make America the productive and successful economy that we have. And we thank you very, very much.

Admittedly, we have a long way to go in certain areas—beef production—we have to do better, and we will. But I say that overall farm exports are being traded at a record volume; farm income is at an alltime high. We have reached a major agreement with the Soviet Union which will ensure for the period of the next 5 years, a minimum of 6 million metric tons—a new market, a good market—and Oregon will contribute very significantly, tremendously in that regard.

Last year, talking about exports, we exported the crops of the farmers of America to the extent of \$22 billion, and in 1976 we are going to export more and more of the bounty of America's agriculture. And your contribution is tremendous.

To make sure that good Oregon wheat and other farm products are produced for future generations and by those generations, I have proposed legislation raising the estate tax exemption from \$60,000 to \$150,000. But I have added to that, a stretch-out of estate tax payments at low interest rates over a 25-year period. But even more importantly, in the proposal that I have made to the Congress, the transfer of assets between husband and wife will be tax free. That will

not only help the family farms of Oregon but family businesses as well. There is no reason that these wonderful family enterprises should be sacrificed just to pay the tax collector. And if I have my way, it will be yours and not the tax collector's.

These family enterprises have helped us turn our economy around in the right direction for the past 21 months. America's new prosperity cuts across every segment of our economy. 87,400,000 Americans are gainfully employed, they are on the job today—an alltime record, and we should be proud of it.

We will create more jobs by following your local example in generating new jobs in the private sector where five out of six jobs in America today exist and are available.

Inflation has been cut by more than half during the past 21 months, and we will keep the pressure on so that we won't have that kind of inflation threatening our economy in the future.

And let me point this out, if I might: on August of 1974, inflation was 12 percent; for the first 4 months of 1976 the annual rate of inflation is 3 percent or less. That is a 75-percent reduction, and we should be proud of that record, also.

I vetoed 49 bills that Congress sent me, and 42 of those bills have been sustained, saving the taxpayers of America \$13 billion. That is progress, and for the benefit of the families, that is about \$200 per family in America. And if the Congress keeps on sending to me the big spending, budget-busting bills, I will use my veto again and again and again.

It is about time you got to spend your money the way you want to spend it, instead of letting the Congress spend it for you. I am determined that your tax dollars work as hard for you as you work for them. I want the Government to spend less and tax less.

Last year, we reduced Federal income taxes. That was sound public policy. This year, I proposed another \$10 billion tax cut to begin July 1, which would raise the personal exemption from \$750 per individual to \$1,000 per person. That is what we want.

Right now, it looks like the Congress would rather spend that \$10 billion and almost \$8 billion more, rather than let you keep it so that you could decide for yourself how that money should be spent. But let me assure you I will fight the Congress every step of the way to get your tax relief that you deserve. It will be good for America, as well as for you individually.

I deeply appreciate this wonderful opportunity to come before you today and talk about the programs that have returned peace, increasing prosperity and

trust to America. Today, America is at peace. There are no American boys fighting anywhere on the face of the world, and I intend to keep it that way.

Our military strength remains unsurpassed. We have the best-equipped, the best-trained, the best-led fighting force in the world, and they are all volunteers. Your sons and your husbands are not being drafted under the Ford administration.

I will maintain the peace as I have achieved it. I will secure that peace through strength and through perseverance and leave that legacy of peace for our children and for their children.

I will continue my policies of cutting your taxes, expanding the economy, reducing bureaucracy and useless regulation, and restraining Federal spending. My policies have brought us from the depths of a recession to a sustained economic recovery and will ensure that runaway inflation never robs us or our loved ones of the rewards of honest work and lifetime savings.

Finally, I will finish my most important job—restoration of trust in the Presidency itself. As your President, I will promise you no more than I can deliver and deliver everything that I promise.

I need your support to ensure peace, increasing prosperity, and trust for the future. The future belongs to those who come after us. Americans have always wanted life to be better for the children than it was for us, because life for us has been better than it was for our parents.

What do I see ahead for this wonderful country, the United States of America? I see a strong and confident America, secure in a strength that cannot alone be counted in megatons and a nation rejoicing in riches that cannot be eroded by inflation or by taxation.

I see an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 2 p.m. in the Happy Canyon Arena at the Pendleton Memorial Armory. In his opening remarks, he referred to Len B. Jordan, Governor of Idaho 1951–55 and

U.S. Senator from Idaho 1962–73.

As printed above, this item follows the text of the White House press release.

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Remarks at a Reception for Representatives of Agricultural Organizations in Pendleton, Oregon. May 23, 1976

LET ME thank all of you for coming here not only for the meeting outside but to have an opportunity to meet you personally and to say a very few words.

I can't express deeply enough my appreciation for what American agriculture has done for our country. I know that we have had some ups and downs in agriculture. I can remember when I first went to the Congress, back in January of 1949. We had for the next 10 to 15 years—maybe longer—tremendous surpluses that depressed your market; that resulted in the Department of Agriculture, in effect, having too great a role in how you ran your farms and how you handled your crops.

The programs that have been in effect for the last several years, I think, are a major step forward in giving agriculture the opportunity to do what they do so well—to produce—and to permit us as a country to maximize our exports overseas.

Let me tell you how significant your contribution is. In 1973 the United States paid about \$7 to \$8 billion for foreign oil. Last year, the United States paid for foreign oil about the same amount in quantity, but \$35 billion—from \$7 or \$8 billion up to \$35 billion.

If we had not had the exports of American agriculture that we have had the last 2 or 3 years, this country would be in very, very sad economic condition, because the expansion of American exports abroad—corn and wheat and soybeans and all of the other crops—if we hadn't had the benefit of your hard work, your skill, and your productivity, the United States would have been in very, very serious condition right now economically.

So, although many Americans don't understand or don't, therefore, appreciate your contribution, as President, on behalf of them, I want to thank you, because America is better today because of what you here in Oregon and what others have done—in North Dakota, South Dakota, Texas, Oklahoma, Washington. The great productivity in wheat and corn and soybeans has been a significant factor, if not one of the major factors, in the ability of America to turn the economy around in the last 12 months.

So, I thank you, and 215 million other Americans thank you from the bottom of our hearts.

I would be glad to answer any questions.

Q. Mr. President, will labor stop our exports any more?

THE PRESIDENT. They certainly won't, and I think you are raising a question that others have raised. The allegation has been made, it's without fact or foundation, that President Ford capitulated to some labor leaders.

Let me tell you, I vetoed the situs picketing bill, and that wasn't something that they appreciated very much. So, let me assure you that there is no circumstance that I can foresee, none whatsoever, that there will be any limitation on the exports of American agriculture, certainly as far as the next 4 years.

And so, I say to you that nobody, labor or any other segment of our society, is going to interfere with the kind of things that must be done to help feed the world, to help our farmers make an honest living and a prosperous living, and to give the American people the kind of prosperity that I think we can achieve with the kind of programs we have today.

Q. Mr. President, is the administration keeping a close watch on the meat imports?

THE PRESIDENT. We certainly are. We have just about consummated the import limitation that will set, I think, a figure that will be very sound. I think it will be constructive. The announcement on that should be forthcoming very shortly. And I think it will be effective, and I think it will be helpful.

Well, let me thank you all. I can't express deeply enough my appreciation for you all taking a Sunday afternoon. It is a pleasure for me to meet you.

NOTE: The President spoke at 2:30 p.m. at the Pendleton Memorial Armory.

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Exchange With Reporters on Arrival at El Toro Marine Corps Air Station, California. May 23, 1976

BOB, those look great.¹ [*Laughter*] I can run faster and jump higher and do better in California. That is why I am here, and I deeply appreciate your being here and your thoughtfulness. This is a good way to make a rapid finish, and we are going to do it in Kansas City and then in November.

But it is nice to be in California. We had a wonderful trip up in Oregon. We are looking forward to spending 2 days or so here in California. We expect to make a real strong—and I think, optimistically—fight here in California. We

¹Robert L. Seagren, winner of the Olympic gold (1968) and silver (1972) medals in the pole vault competition, presented the President with a pair of track shoes.

believe that the leadership of the President Ford Committee in California is excellent.

We have a good many friends, because I have been in California a good many times. I have worked with the Members of the Congress from California. I have worked with your State people. I believe that with the kind of programs that we have where we have achieved the peace, maintained the peace and have the prospects for peace in the future; where we have turned the economy around, where we are on the way to a solid and prosperous America; where we have restored public confidence and trust in the Government—these are the programs that are of interest to and supported by the American people.

So, the time that I will be here in California will be devoted to talking to as many people, doing as strongly as we can, the persuasion of the people in this great State that the President Ford administration is a good one for California as well as for the country. Thank you very, very much.

You might have a question or two.

REPORTER. Mr. President, do you expect to have any contact in any form with former President Nixon?

THE PRESIDENT. I have no such plans.

Q. After Kansas City, how do you propose to bind up the wounds of the Republican Party from the primary battles?

THE PRESIDENT. I think those are wounds that can be taken care of, at least as far as I am concerned. The Republican philosophy and the Republican Party is broad enough to take care of any pre-convention problems, and I will do my best to achieve that.

Q. Mr. President, what kind of strategy will you use against Mr. Reagan here in his own State?

THE PRESIDENT. I didn't hear it all. Would you ask it again, please?

Q. What type of strategy will you use against Mr. Reagan here in his own State?

THE PRESIDENT. I think I have laid it out. We will talk about the affirmative achievements and accomplishments of the Ford administration in the last 22 months. Those are the accomplishments that have appealed to the American people, and I believe those are the kinds of programs that the American people want for the next 4 years. So, we will be talking affirmatively in that regard.

Q. Mr. President, what do you propose as an alternative to forced busing?

THE PRESIDENT. The alternatives are well set forth in what we call the Esch amendment. The Esch amendment, which was approved when I was a Member of the House of Representatives, and I signed it as a law in late 1974, provides

a list of alternative steps which, if the courts of this country would follow, they wouldn't get down to the last one, which is forced busing to achieve racial balance.

The courts, in my judgment, have to look at the guidelines prescribed by the Congress. The Congress is interested in quality education, as I am, and they—the Congress—are also against segregation. But we can find a way for quality education if we follow the Esch amendment, and I hope and trust that the courts will in the future.

REPORTER. Thank you.

THE PRESIDENT. Thank you all very, very much.

NOTE: The exchange began at 4:30 p.m.

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**Remarks on the 10th Anniversary of Mission Viejo, California.
May 23, 1976**

THANK YOU very, very much, Dick. I could have used these rules and orders in the House of Representatives for the 25 years that I had the privilege and honor of serving there. I think these rules might be quite helpful if I sent it up to Capitol Hill right now. [*Laughter*]

Thank you, Dick, Congressman Chuck Wiggins, Phil Riley, Wendy Edgren, honored guests, ladies and gentlemen:

I really look forward to being with you here today in this wonderful community. Mission Viejo is an exceptional community. What a great high school marching band, and the drill team is awfully good, too, and I hope to hear the Diablos again in Washington next month.

Being a swimmer myself, I'm impressed by the number of championship swimmers that Mission Viejo produces. And I'm gambling that you will prove it again in the Olympic trials this summer.

As one of the new towns in the United States, Mission Viejo stands out because of your tremendous community being built entirely with private funds. And I congratulate Phil and all of the others who have had a part in doing this without the aid and assistance—with the initiative of all of you in this tremendous location in this wonderful atmosphere. I enjoy the opportunity of being with you this afternoon.

During the 10 years that you have grown, I understand you have handled

your own problems with your own money, and boy, you can be proud of that. What you have accomplished here is what I have been trying to do with the Federal Government. You have been a little more successful than I have. [*Laughter*] But what we have been trying to do is keep the government from interfering with the free enterprise system and allowing people to do what they want to do with their own lives.

A little more than a year ago our economy was in the worst recession in 40 years. Unemployment was climbing, inflation was running at a rate of better than 12 percent per year. The prophets of doom and gloom were arguing that the only way to solve the problem was massive Federal spending programs. They said that would save us. I didn't agree, and I don't agree today.

I opposed more and more, bigger and bigger Federal spending programs. I am sure they would have created more deficits, and I am certain they would have added to our inflationary pressures. And we didn't want that under any circumstances.

Because we kept the lid on spending, because we had great faith in the free enterprise system, we have reduced the annual rate of inflation in the last 22 months by over 50 percent. We have increased national employment by 3,300,000 jobs in the last 12 months. We have broken the back of the recession. We are on the road to rising prosperity, renewed trust, and lasting peace.

Our government should spend less and tax less at the Federal level, and that's what I'm trying to do for us. Last year we reduced Federal income taxes, and I have proposed an additional tax cut of \$10 billion to take effect on July 1. This proposal would increase the personal exemption from \$750 per person to \$1,000 per person. That would achieve some equity in the Federal tax system.

But in order to do that, let's be honest and frank. We have to keep a tight control on governmental spending, a balanced budget. If we do that, we can have more tax reductions by 1979. And I want to make sure in the process that we make your tax dollars work as hard for you as you did for them.

There is no reason that the Federal Government should continue to grow. The larger it gets, the more distance between it and between the citizen that it is supposed to serve.

Most of us work hard for our living. Most of you have worked from early youth, and your children are beginning to participate in the work ethic. And the financial decisions affecting you and your family should be made right here, not by some distant Federal Government.

I'm working to restore the local government for local people. You have a bet-

ter capability, a wiser judgment to make these decisions right here in Mission Viejo than some bureaucrat on the banks of the Potomac.

In this Bicentennial Year, our challenge is to foster the basic appreciation we have always had for the American home, the American family, the moderation of the relationship of the government to the governed, and continued American strength throughout the world.

In the first century of our great country, our government was devoted to the establishment of a strong and stable and fair and equitable system of government. It was a unique experiment in self-government by the people.

In the second century of our country, it was a century of industrial progress in which America became the most powerful nation in the history of mankind. As we became the most productive nation, we found that our growth created the problems of bigness. In the process, the individual became dominated by huge institutions of all kinds—mass government, mass labor, mass industry, and mass education.

As I see the third century of our wonderful country, I see it as one in which we return responsibility to the individual, to encourage all Americans to help themselves. And as I travel around America it's easy to see most of us want a renewed personal responsibility to each other and to the Nation as a whole as active citizenry makes a vital nation. It may sound awfully trite, but we have been letting Uncle Sam do it far, far too long. I'm for cutting out the unbearable Washington redtape, rolling up our own sleeves and doing it for ourselves.

Some Americans have been disillusioned and some have become skeptical, and I can understand it. But I have found, as I travel from one State to another, that the great majority of us want to make things right in America. What we want to do is best for our society and for our country. We want to live up to that great heritage that our ancestors gave us, as a free and independent country and free and independent people. In response to that desire I want to devote my efforts to confidence and trust in our institutions, a task that must succeed if we are to rebuild our faith in the future for our children, our grandchildren and the country that we love so much.

We've made a good start. We will work together, you and I. What I promise you I will deliver. In return, I need your help, your simple strength, discipline, maturity, truth.

Let me say this in conclusion: Certain things are temporary; some things are permanent. In 200 years our beliefs have not changed in America. This is still a country where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 6:08 p.m. at the Mission Viejo High School. In his opening remarks, he referred to Phillip J. Riley, developer of the community, Wendy Edgren, chairman of the Mission Viejo Cultural Heritage Committee, and

Richard A. Lowcock, chairman of the Mission Viejo Municipal Advisory Council, who presented the President with a copy of the Congressional Code of Ethics, dated 1851.

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Remarks in Laguna Hills, California. May 23, 1976

Thank you very, very much, Ernie Billman, Congressman Chuck Wiggins, Evelle Younger, ladies and gentlemen:

It was my great privilege 4 years ago to speak at Leisure World when I was a Congressman and, at that time, the minority leader of the House of Representatives. I was tremendously impressed in 1972, just like I am tremendously impressed here in 1976 by the energy and by the vitality, by the wonderfully warm and friendly reception that I am getting here, and I thank you very, very much.

Before coming to this part of the visit to Leisure World, I stopped and saw some of the people shooting pool, I stopped over and saw some of the people dancing and listening to music, I stopped by and saw that famous band of expert musicians, and it's just wonderful to see some friendly faces that I have met and to see some that I have seen over the years. It's obvious to me that Leisure World must be the busiest place in Orange County. [*Laughter*]

I think what you have proven really is that retirement need not be a retreat from life but a fresh opportunity to do all the things that you have always wanted to do, and it's good to see each and every one of you taking full advantage of that great opportunity.

My message here today can be summed up in a very few words. As much as I believe in a strong and prosperous American automobile industry, I have come here to say that this year there is absolutely no reason whatsoever to trade in your reliable Ford for a flashier model. [*Laughter*]

But let me tell you seriously why I am asking you, my fellow Americans—not only from California but from all over the country—why I'm here to ask for your support. I'm doing it because I think I have done a good job under very difficult circumstances, because we have maintained the peace, we have moved America on the road to prosperity, and we have restored confidence and trust in the Presidency itself.

I'm coming to California, and I'm going to work hard going the length and the breadth of this great State to see as many people as I can and to give the message that I hope to give here, as well as elsewhere, because I want a mandate from California and a mandate from the American people in all other 49 States to finish the job that I started August 9, 1974.

I want to continue the assurance of dignity, the security and the quality of life experienced by our older Americans. For more than 40 years, America has made a very firm commitment of support for our older citizens in our society, not only for those who need help but those who have earned a retirement income during their working years.

As you all know, there are serious problems facing our social security system. These problems have been building up over the years and conveniently passed by and not attacked or not solved by either one administration or another, or one Congress or another. Unless my reforms that I recommended to the Congress in January of this year are adopted, the Social Security Trust Fund will run a deficit in this 12 months of \$3,500 million, and the next year the deficit will be \$4 billion, and the next year the deficit will be larger and larger.

It's unconscionable that the Congress has failed to face up to the hard facts of life. And believe me, let me assure you of one thing, very emphatically: My administration intends to preserve the integrity, the solvency of the social security system for your benefit and for that of all working Americans now as well as in the future.

Let me assure you, it would have been very easy in January for the Ford administration to duck the problem as others have. But I decided to prevent a decline in social security trust funds, which now pays out far more benefits than it receives in taxes. I proposed a small payroll tax increase—three-tenths of 1 percent—applying both to employers as well as employees. Under this plan, the largest increase for any person paying or any employer paying would be less than \$1 per week.

It seems to me that this proposed tax increase, which will help to stabilize the trust fund, would give us the feeling of good conscience, doing the right thing regardless of any political consequences so that current and future recipients will be fully assured of the benefits that they have earned and that they are entitled to. And I believe that the American people, knowing that 33 million people have now earned and are receiving retirement benefits and literally millions will come into the same circumstances, this country made a commitment, this country must carry out that commitment. And the Ford administration isn't going to play politics with this problem.

And I add, as many of you I'm sure know, I recommended in my budget for the next fiscal year the full cost-of-living increase in social security benefits. I think this is the proper thing, the move that is required if we are to keep faith with those in our society who have earned and retired.

And let me say, I have also proposed major improvements in the Medicare program to make it serve you better. One of the most important improvements would provide for the full payment of all but a very small fraction of the cost of catastrophic illness and extended care.

There's no reason whatsoever that older Americans should have to go broke just to get well or to stay well in the United States of America.

Under my proposal the individual contribution to Medicare would go up slightly. But consider what the increase would provide. Nobody eligible for Medicare would have to pay more than \$500 a year for hospital or nursing home care or more than \$250 a year for physician services. Medicare would pay the rest. Whether it was \$1,000, \$10,000, or \$50,000, I think it is a good program, and I would appreciate your support.

Our problem is the Congress. The ruinous economic burden of catastrophic illness is one thing, if this passes, you will never have to worry about again. And you deserve it, and the country ought to enact it, and it ought to be on the statute books.

Now, let me ask you or say to you, there are several other programs that I have requested that the Congress authorize which should be of some special interest to older Americans. One would ease the burden of estate taxes. While the value of the dollar has eroded, our system of estate tax law has changed very little since the 1930's. To restore fairness and equity, I have proposed increasing the present \$60,000 estate tax exemption to \$150,000. And I have also proposed that if there is any tax yet remaining after the increase to \$150,000, that the payments be extended over a period of 25 years with a very minimum amount of interest paid on an annual increment that you pay to the Federal Treasury.

But the third and probably the most important ingredient is how it affects married couples. At present, as many of you know, I'm sure, transfers of assets between husbands and wives are often subject to substantial taxation. I have proposed legislation which would make those transactions or transfers totally tax free.

This commonsense, equitable treatment of assets of a husband and wife is far too long overdue, and I hope and trust that the Congress of the United States will respond this year before they end their session sometime before the next election.

Now, if I had to sum up the record of my administration in just a few words it would be peace, which we have achieved and we're maintaining; prosperity, which we are accomplishing; and trust and confidence of the American people.

Today, America is at peace. Less than a year ago we were still at war. Today, we are at peace, and there are no American boys fighting anywhere on the face of the globe, and I intend to keep it that way.

I will maintain that peace, secure that peace through strength and perseverance, and leave that legacy of peace for our children and our grandchildren. We will accomplish it and pursue it because we have the military capability to carry out any mission that is required for the deterrence of aggression or to, under any circumstance, protect our national security.

Let me say the continuance of my policies of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation, and restraining spending—these are the hallmarks of the Ford administration.

If you look back at the record of the last 22 months, my policies have brought us from the depths of the recession to a sustained recovery, and will ensure that runaway inflation never again robs us or our loved ones of the rewards of honest work and lifetime savings.

Let me ask you, do you recall in August of 1974 the cost of living was at a rate of 12 percent or higher? And it is good to report to you that for the first 4 months of 1976 the cost of living is rising at a rate of 3 percent or less. That's a 75-percent reduction in the cost of living. I think that's a darned good record that we should be proud of.

You will recall that shortly after I took office there were those prophets of gloom and doom who were saying that we were about to have a depression, that unemployment would go over 10 percent, that we had to do something with a quick-fix action, that the Congress had to spend more and more money with bigger and bigger deficits. I decided that wasn't the right course of action. I felt there was a better answer—to put a great deal of more faith and trust in the great economic system that has taken this country from 13 poor, struggling Colonies to the greatest nation in the history of mankind. So, we fought the Congress day in and day out.

Incidentally, I vetoed 49 spending bills; 42 of them have been sustained, saving the American taxpayer \$13 billion. That's a pretty good record. Let me add as a postscript. If the Congress sends down some more budget-busting bills, I will veto them again and again and again.

But finally I want to finish my most important job—restoration of trust in

the Presidency itself. As your President, I will promise no more than I can deliver and I will deliver everything that I promise.

In the months ahead, I need your support to ensure peace, prosperity, and trust for the future, the future that we owe to our children and to our grandchildren. Americans have always wanted life to be better for our children than it was for each and every one of us, because life for us has been better than it was for our parents.

What do I see ahead in this great country of ours? I see a strong and confident America, secure in a strength that cannot be counted in megatons and a nation rejoicing in riches that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 7:30 p.m. at Ross-moor Leisure World. In his opening remarks, he referred to Ernest A. Billman, president, Golden

Rain Foundation, Representative Charles E. Wiggins, and Evelle J. Younger, California State attorney general.

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Remarks in Anaheim at the Annual Convention of the California Peace Officers Association. May 24, 1976

Thank you very, very much Ev, Congressman Chuck Wiggins, Sheriff Larry Gillich, members and guests of the California Peace Officers Association:

I am deeply grateful for the opportunity to be introduced by my good friend, Evelle Younger, and I am delighted to have an opportunity to be in the congressional district so ably represented by my long and very good friend, Chuck Wiggins.

It's also a great privilege and honor for me to address this convention of the Peace Officers of California. Your daily struggle to keep the peace and combat crime in this State has won the well-deserved praise of the people of California.

I am delighted to add my words of support and gratitude for the great success and the fine efforts by each and every one of you. In a special sense, the goals of your service and mine are precisely the same—to make life secure for our fellow citizens.

As President for the last 21 months, I have been working at home and abroad to lay down a solid, secure foundation for America as our Nation enters its third

century. That will be a century for individual freedom and achievement and self-fulfillment. I see it as a century in which Americans will build on all of the great accomplishments of our first 200 years. But to do that, Americans must be secure in their homes and in their streets and in their jobs and in a peaceful world. It must be a century of security for all Americans wherever they live, they work, or wherever they play.

Consider the very real concern of so many Americans about the problems of crime. Let us start with the great Preamble of our Constitution, which seeks to "insure domestic Tranquility . . ." Law makes human society possible. It pledges safety to every member so that the company of fellow human beings can be a blessing instead of a threat.

Do we provide that domestic tranquility which the Constitution seeks? If we take the crime rates as an indication, the answer has to be "No." Violent crimes on our streets and in our homes make fear pervasive. They strike at the roots of our community life. They make citizens fear one another.

The time has come for society to act in its own self-defense. As a first important step, I strongly favor the use of the death penalty in the Federal criminal system in accordance with proper constitutional standards. The death penalty, in certain circumstances, should be imposed upon the conviction of sabotage, murder, espionage, and treason, and I think most Americans support that approach.

In murders involving substantial danger to the national security or when the defendant is a cold-blooded, hired killer, the use of capital punishment is fully justified.

The harsh fact is that passivity and permissiveness invite crime and that the certainty of punishment prevents crime—I mean positive, swift, and just punishment.

We all recognize the criminal justice system need not be vindictive to be effective. As President, I will give no comfort to those who make false allegations of police brutality. I will not excuse the real brutality that exists in America today—the brutality of hoodlums in the streets of our cities throughout the United States.

Millions and millions of our citizens, including the elderly and the poor, lock themselves in their homes, fearing violence. I would, instead, lock up the criminals who make them afraid. A legal system that is exploited by the criminal but ignores his victim is sadly out of balance. I ask your help and that of all Americans in restoring that balance.

The great majority of crimes constitute violations of State laws and, therefore,

under our Constitution, the responsibility for dealing with them rests primarily on local officials. The Federal Government, however, can serve as a model by firmly and justly enforcing its own laws and by improving the quality of the Federal criminal justice system.

We recall in this Bicentennial Year, that our Founding Fathers adhered to the dictum of John Locke: "Where there is no law, there is no freedom." The overwhelming majority of Americans are law-abiding citizens. It is a hard core of law-breakers who commit a very large proportion of all crime.

A recent study in one major metropolitan area recently showed that within 1 single year more than 200 burglaries, 60 rapes, and 14 murders were committed by only 10 individuals.

A great many serious crimes are committed by repeaters. You know that probably better than I. Such criminals—duly tried and convicted—must be removed from our society for a very definite and specific time. A law-abiding majority in America has its rights, and those rights should be given full weight on the scales of justice in America.

With very few exceptions, I strongly advocate mandatory minimum sentences for individuals who commit crimes or offenses involving the use of a dangerous weapon or who commit such grave offenses as aircraft hijacking, kidnaping, and dealing in hard drugs, and for repeated offenders who commit Federal crimes that harm or endanger others.

The way to reduce criminal use of handguns is not to disarm law-abiding citizens. I am totally opposed to the registration of guns or gunowners. The way to reduce criminal use of handguns is to impose mandatory sentences for gun crimes, to prohibit the manufacture and sale of Saturday night specials, and to concentrate our resources for enforcement in high crime areas.

Last July, I recommended to the Congress, as my good friend Chuck Wiggins knows, a bill to achieve these objectives, and I urge and strongly advocate action by the Congress to act immediately and without harassing the lawful gun owner.

Another important cause of the violent crime that plagues Americans and makes a major contributor to the soaring crime rate is drug abuse. The time has come to step up our fight, sharpen the weapons in our arsenal, and launch a new and a far more aggressive attack against this insidious enemy. The cost of drug abuse to this Nation is absolutely staggering.

Every year, more than 5,000 Americans die from direct drug-related causes. Every year, more than 170,000 injuries can be directly traced to drugs. Every year, the problem of drug abuse adds up to costs of something like \$17 billion.

Significantly, the greatest bulk of this \$17 billion is money lost through crime. Law enforcement officials estimate that up to one-half of the robberies, muggings, burglaries, and other forms of property crimes are committed by addicts to support their expensive and debilitating habit. It's a real tragedy. And I pledge to you today that I will spare no effort to crush the menace of drug abuse.

Clearly, as we look at the picture today, our first defense must be directed at our own borders to clamp down on the illegal flow of drugs from foreign sources. Since today, 80 to 90 percent of the current flow of heroin comes across the Mexican border, we must expand our crackdown in that area, and we will.

I will not recite the added activity that the Federal Government is undertaking in this area, but I can assure each and every one of you that it is being directed right from the White House.

Our efforts, however, must not stop there. We must accelerate our law enforcement efforts throughout our own country.

Despite all the rhetoric of recent years, I do not believe that we have yet succeeded in making it tough enough for drug traffickers. The people who traffic in hard drugs are nothing less than merchants of death and should be put—and I mean put—behind bars for a long, long, long time.

Justice Department studies show that more than a quarter of those convicted of narcotics trafficking do not spend a single day in jail. The extraordinary laxity that sometimes exists was illustrated recently in a case when law enforcement officers arrested 31 people, most of whom were major violators responsible for a very large shipment of heroin into the United States. Nineteen of those arrested were immediately freed on a \$500 personal recognizant bond, even though their offenses were punishable by 15 years in jail.

All but 2 of the 19 had long, long arrest records, and 1 was on parole for a narcotics offense. This is unforgiveable and completely indefensible. We have to close legal loopholes that permit traffickers to escape the Federal penitentiary. Those who live off the misery of others must pay the price, and the higher the price, the better, as this President sees it.

Above all, we must always remember that law enforcement alone cannot win the war on crime. The combined efforts of the Federal Government, State and local authorities will be of little use unless the American people rally to fight the scourge of crime within their own communities.

I am particularly encouraged by the citizens coalitions against crime that are cropping up all over the United States. Here, as in other law enforcement areas, California is in the forefront. The 50,000 volunteers in the neighborhood watch program in the city of Los Angeles have been able to cut crime substantially. In

Vallejo, not a single member of the city's home alert program had their homes burglarized during all of 1975.

Americans have always stood united. Americans have always stood strong against all enemies. Crime and drug abuse are enemies that we can overcome, but there must be a very deep, personal, and a deep national dedication to that goal.

If I had to sum up the record of my administration in just a few words, it would be peace, prosperity, and trust in America.

Today, America is at peace. Your sons are not being drafted, and they are not dying on any battlefield. I want to maintain the peace, advance the peace among all nations, secure the peace through strength and perseverance, and leave that legacy of peace for our children and their children.

I will continue my policies of the last 21 months of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation, and restraining Federal spending. These policies have brought us from the depths of a recession to a sustained recovery and will insure that runaway inflation never robs us again or our loved ones of the honest work and their lifetime savings.

I want to pursue a steady course that led from war to peace, from recession to recovery, from cynicism to confidence, from fear to faith. Finally, I want to finish the most important job—restoration of trust in the Presidency itself.

As your President, I will promise no more than I can deliver, and I will deliver everything that I promise. The reason that I am in this race—and I'm in it to stay—is to ensure peace, prosperity, and trust for the future of the 215 million Americans.

The future belongs to those of us who come after you and myself and our fellow Americans. We Americans have always known that life will be better for our children than it was for us, because life for us has been better than it was for our parents and our grandparents.

What do I see ahead for this wonderful country? I see a strong and confident America, secure in a strength that cannot alone be counted in megatons, and a nation rejoicing in riches that cannot be eroded by inflation or by taxation.

I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very much.

NOTE: The President spoke at 8:50 a.m. in the Grand Ballroom at the Sheraton Anaheim Hotel. In his opening remarks, he referred to Evelle J.

Younger, California State attorney general, and Sheriff Larry Gillich, president of the association.

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Statement on the Japanese Diet's Approval for Ratification of the Treaty on the Non-Proliferation of Nuclear Weapons.***May 24, 1976***

I WELCOME the Japanese Diet's approval for ratification of the Treaty on the Non-Proliferation of Nuclear Weapons. This action is a singularly important event in the life of the treaty, which is a pillar of international efforts to prevent the spread of nuclear weapons and to contribute to the broader goal of nuclear arms control.

Japan, one of our closest allies, has one of the world's most extensive, peaceful nuclear programs. Ratification of the treaty will clearly add to the treaty's vitality and effectiveness and to the extension of the international safeguards regime. It should also facilitate Japan's peaceful nuclear endeavors and enhance Japan's influence on nuclear arms control.

As I have frequently stated, our efforts to prevent nuclear proliferation are receiving high priority. I am encouraged by the progress being made in this field. We are thus especially gratified by this further demonstration of Japanese dedication to the same goal. We trust that Japan's example will encourage yet broader adherence to the treaty and its objectives.

NOTE: The statement was released in Anaheim, Calif.

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Exchange With Reporters on Arrival at Las Vegas, Nevada.***May 24, 1976***

GOOD MORNING. It's great to be in Las Vegas. I have been here a good many times, not only in Las Vegas but in Reno, and had a nice trip up to Elko a few years ago.

It's a day for good news for us. We just got the results from the meeting in New York where they came out 119 for Ford and 18 for my opponent, and I think 15 uncommitted, which takes us up very close to 700 in the delegate count. We're very optimistic.

Of course, the six primaries that are being held tomorrow, including the one in Nevada, are very important. We are here in Nevada to see some old friends and to do all that we can to stimulate a good vote on my behalf tomorrow. We

think that we have a fighting chance. We have got great leadership in Bob List ¹ and the former mayor of Las Vegas, Oran Gragson, and we have a number of other people that are strongly supporting my candidacy.

We are here for the purpose of setting forth the message that I think most Americans support—that the Ford administration has restored confidence in the White House; the Ford administration has turned the economy around from a recession of a year ago to a situation where we have added 3,300,000 more jobs in the last 12 months, 710,000 in the last month.

The record, also, on inflation is a good one. When I took office 21 months ago, the rate of inflation was over 12 percent. For the first 4 months of 1976 it is 3 percent or less. And when we look at where the United States stands in the world, we have achieved the peace, we're maintaining it and, because of our military capability and our diplomatic skill, we intend to keep it for the next 4 years.

I would be glad to answer any questions.

REPORTER. Mr. President, is there anything you can do to keep the IRS off the backs of all the Nevadans? It seems like 1 out of 16 is being audited these days.

THE PRESIDENT. I think the IRS ought to treat all citizens, those in Nevada as well as those in all 49 other States, very equitably, very fairly. And certainly, the presumption ought to be that the taxpayers do pay all that they legally are required to under our Internal Revenue Code. And if there is any discrimination against the people of Nevada, I'm opposed to it, and I will look into it.

Q. Carter says stop all bomb testing in Nevada. Mr. Reagan says he's not quite sure. What do you say?

THE PRESIDENT. I think it is in the national interest of the United States to continue our nuclear testing. It would be irresponsible, in my opinion, for the United States to have a moratorium on nuclear developments and research and, therefore, I very strongly disagree with Mr. Carter. And I am not uncertain as to what the United States ought to do. We ought to do it for our national security both domestically as well as internationally.

Q. Mr. President, regarding the New York story, the New York developments, this is a very generous move by Vice President Rockefeller to help to get those delegates for you. How do you plan to repay him for this?

THE PRESIDENT. I don't expect to repay anybody for the delegates that come to the Ford administration. I believe those delegates believe in the programs that I have had for this country for the last 21 or 22 months. The people in New

¹ Nevada State attorney general.

York—New York State as a whole, as well as the city—know that we have achieved the peace, that we have turned the economy around and restored confidence in the White House. And I think they made that move because they believe in the Ford administration.

Q. Do you consider him a candidate for the Vice-Presidency?

THE PRESIDENT. The Vice President indicated to me a number of months ago as you know, Helen [Helen Thomas, United Press International], that he did not want to be considered for Vice President. The number of good Republicans who are qualified to be Vice President is a very large number.

Q. Does that mean you are taking him at his word?

THE PRESIDENT. I always assume what people tell me is what they believe.

Q. There is some speculation he would like to be Secretary of State in a new Ford administration. Would you look favorably towards that?

THE PRESIDENT. I've never discussed it with him.

It's real nice to see you, and we're looking forward to a very enjoyable time here in Nevada. As I said, I've been in Nevada a good many times, covered a lot of territory, and I'm optimistic about our opportunities.

Q. This is a gambling State. Will you make any bets on your outcome tomorrow?

THE PRESIDENT. Well, I think we'll do very well.

Thank you very much.

NOTE: The exchange began at 11:37 a.m. at McCarran International Airport.

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Remarks at the International Council of Shopping Centers Convention in Las Vegas. May 24, 1976

Attorney General Bob List, Frank Orrico, Sylvan Cohen, members and guests of the International Council of Shopping Centers:

It's a great privilege and a very high honor for me to have the opportunity of addressing the International Council of Shopping Centers, and I'm deeply grateful for your very cordial and warm welcome.

As much as I am in favor of a healthy and prosperous American automobile industry, with some temerity I suggest that you not trade in a reliable Ford in 1976 for a flashier model. [*Laughter*]

George Washington once wrote a few years ago, "Let your discourse with men

of business be short and comprehensive." Like America, that advice is about 200 years old, but it's still pretty good advice in 1976.

First, let me compliment all of you on the phenomenal progress your industry has made over the years. You have grown from some 75 shopping centers in 1949 to more than 16,000 in 1976. You've shared in America's rising postwar prosperity, and you have filled a very major need for America's growing suburban population.

Twenty-one months ago, America's prosperity and economic strength were threatened by a chilling combination of recession and inflation. Some of America's leading economists and politicians thought it best to impose wage and price controls to deal with America's economic problems. Others insisted that we spend massive amounts of Federal dollars to stimulate the economy, despite the serious danger of feeding an already tragic inflation.

I decided that the way to real recovery and enduring prosperity in America was not through government quick fixes. It has never worked, and it won't work. I had faith that America would work its way out of its economic difficulties, rather than trying to spend its way out.

I proposed and the Congress accepted a major tax cut for individuals and tax incentives for business expansion and job production so that we could get the great free enterprise system in America working at full speed again. We also began a comprehensive effort to restore the confidence of the American people, a confidence in themselves, in their government, in their future. This effort was absolutely essential to restoring economic confidence of the consumer, a very key element in our economic recovery.

I think the record shows that these policies have been very successful. America today is in the midst of a strong and surging economic recovery, and I compliment the American people for their wisdom, their forthrightness, and their success.

The real gross national product rose during the first quarter of this year at an annual rate of 8.5 percent—far, far above the most optimistic predictions of a few months ago, in dollars and cents. That means the value of America's output of goods and services rose at an annual rate of almost \$200 billion, and even here in Las Vegas, that's not a bad jackpot. [*Laughter*]

The amount of money people have to spend after taxes and other deductions are taken from their paychecks, what the economists call real spendable income, has increased by \$100 billion in the past year. Farm income is at an alltime high, and so is farm production.

Total retail sales are up more than 14 percent. Automobile sales are up 34 percent over a year ago. Food sales are up more than 7 percent. General merchandise is up 12 percent. The prime rate of interest has been reduced from 12 percent, when I became President, to $6\frac{3}{4}$ percent today.

Since the bottom of the recession, almost exactly a year ago, we have gained 3,300,000 more jobs and more than 710,000 more jobs in the last month alone. But the most encouraging statistic is more Americans—87,400,000—are on the job today, more than ever before in the history of the United States.

Considering where we started about 12 months ago when the unemployment rate was nearly 9 percent, I think that's a very good comeback by any standard. And, after months and months of higher unemployment and mounting fear, America today is getting back to work. Faith in the future has been totally restored in our great country.

It's perfectly obvious we're going in the right direction, but I will not be satisfied until every American who wants a job can find a job in America. But let me assure you, we will not achieve full employment by letting the Federal Government plan and control our national economy. Just over a week ago, I proposed to the Congress a very broad and comprehensive 4-year agenda for action in reform in every major segment of our economy as far as the Federal Government is concerned. This would include, for example, EPA, OSHA, plus all of the other more or less traditional regulatory agencies.

This, if the Congress will cooperate, will give to us an opportunity to say that unless the Congress acts on what we propose in regulatory reform—if they don't act in 9 months—what the President recommends will become the law of the land. And this is the only way that I know, from the 25 years of being a part of and dealing with the Congress, that we can get them to move in the right direction. And I ask for your help.

My administration has also undertaken some of the most fundamental reforms of Government regulations and reporting requirements in this country's history. I was amazed. In the past, small business in America spent \$18 billion every year just to comply with Government reporting requirements. Most of the merchants in American shopping centers are small business men and women, and it's time that they got back to working for their customers instead of working for the Government. To put it another way, it's time the Government minded its own business for a while and let you run yours.

More government will not solve America's economic problems. The answer is less government control, less wasteful government spending, and lower taxes for middle-income Americans.

I have proposed to the Congress that we cut Federal income taxes by \$10 billion on July 1 of this year and, particularly, to increase the personal exemption from \$750 per person to \$1,000 per person. My proposal also calls for the enactment of a special accelerated depreciation allowance for new plants and new equipment to make permanent the increase in the investment tax credit and to retain the \$50,000 corporate surcharge exemption.

I want the American people to keep more of the money that they have worked so hard to earn. I want them to spend it the way they want to spend it—at the shopping center, for their children's education, for whatever they need, instead of paying more and more for government programs that we don't need.

As some of you may know from my struggles with the Congress, I have vetoed 49 bills sent to me by the House and the Senate over the last 21 months. Responsible Members of the Congress sustained 42 of those vetoes, and those vetoes which were sustained saved the American taxpayer \$13 billion.

May I add a footnote: If the Congress keeps on sending me big spending, budget-busting bills, I'm prepared to use my veto again and again and again. If the Congress would act sensibly—and that's asking an awful lot—[*laughter*]—and enact my tax cut proposals instead of thinking up new ways to spend your money for you, we could create the most tremendous demand for goods and services, that many, many more American jobs and lasting prosperity would be the inevitable result.

We must also, in all honesty, cut the rate of growth in Federal spending. My budget for fiscal year 1977 would cut the rate of growth in Federal spending by 50 percent and set us on a sound and reliable course for a balanced budget by 1979, plus an additional Federal tax reduction.

I think that's a good economic package for America, and I need your help in controlling a completely irresponsible Congress. When we balance that budget, we can get the Government out of competition with you in the private money market, and that's exactly what I plan to do.

I've done battle with inflation far too long to let it get out of control again. When I took office in August of 1974, the rate of inflation was 12 percent or higher, the highest rate in more than 50 years. In the last 21 months, we have cut that rate of inflation by more than half. As a matter of fact, for the first 4 months of calendar year 1976, the annual rate of inflation is 3 percent or less. And let me add, with a little more cooperation from the Congress, we can cut it even further.

This real progress against inflation is one of the most encouraging of all the recovery statistics that I've tried to cite, because it means the strong recovery that we're experiencing this year will not go bust next year.

But the most important recovery statistic is the index of consumer confidence, which is double what it was 12 months ago. In economic terms, that means the American people are spending more money, moving more goods, and even willing to borrow again for major purchases in the future. In broader terms, it means the American people are looking to the future with faith instead of fear.

Let me say, I deeply appreciate the opportunity to come before you today and talk about some of the policies that I have tried to implement in the 21 or 22 months that I have had the honor and the privilege of being your President, policies that I think have brought us peace and prosperity and trust to America.

Today, if you look at the record, America is at peace. There are no American boys fighting anywhere on the face of the Earth, and I intend to keep it that way.

I will maintain that peace because we have unsurpassed military capability and because we have diplomatic skill. Let me assure you that when we secure that peace as we have it now—and it has been tough—we will maintain it by strength and perseverance and leave that legacy of peace for our children and their children.

I will continue my policies of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation, and restraining Federal spending. My policies have brought us from the depths of a recession to a sustained recovery and will ensure that runaway inflation never robs us again—or our loved ones—of the rewards of honest work and lifetime savings.

Finally, I want to finish my most important task—restoration of trust and confidence in the Presidency itself. As your President, I will promise no more than I can deliver, and I will deliver everything that I promise.

I need your support to ensure peace, prosperity, and trust for the future, the future that we owe to our children and to their children. Americans have always wanted life to be better for our children than what it was for us, because life for us has always been better than it was for our parents.

What do I see ahead for this great country? I see a strong and confident America, secure in a strength that cannot alone be counted in megatons, a nation rejoicing in riches that cannot be eroded by inflation or by taxation.

I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very much.

NOTE: The President spoke at 12:17 p.m. in the Grand Ballroom at the MGM Grand Hotel. In his opening remarks, he referred to Robert List, Nevada

State attorney general, and Frank A. Orrico, president, and Sylvan M. Cohen, president-elect, International Council of Shopping Centers.

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Remarks at a President Ford Committee Reception in Las Vegas. May 24, 1976

THANK YOU very, very much, Oran, Bob List, Glen Mauldin, thank all of you who have come to this opportunity for me to talk straight to you, to tell you what we're trying to do, and to thank you for your support and assistance in a program that I think is in the best interest of the United States. I thank you very, very much.

As much as I am strongly in favor of a healthy and prosperous automobile industry, let me say I urge you in 1976, don't trade in your reliable Ford for a flashier model. [*Laughter*]

I would like to talk to you very seriously for a moment. The stakes are very high in this preconvention challenge that we have. The stakes are very high for what happens between now and November 2, and I, in all sincerity, ask you to go back to what the circumstances were in August of 1974 when I was sworn in as your President.

If you will recollect, there had been a great loss of trust and confidence in the White House. If you will remember that inflation was over 12 percent and we were on the brink of the worst economic conditions in the history of the United States for 40 years. If you will remember that our allies abroad were uncertain as to the course, the will, and the resolution of the American people. Our adversaries could have been in a position, if they had wanted to, to take advantage of the uncertainty in America.

Let me assure you that day of August 9 was not the easiest day to be sworn in as President of the United States. But, let me say that I decided right from the outset that regardless of any political consequences, any political disadvantages that might follow in the months ahead, that I was going to do what was right for America and that I would not promise that I would do more than I could produce, and I would produce everything that I promised.

So, let's review very quickly what has happened and transpired in the 21 or 22 months since August of 1974. Inflation was over 12 percent. For the first 4 months of 1976, the rate of inflation on an annual basis is 3 percent or less. That

is a 75-percent reduction in the rate of inflation, and we are darned proud of that record.

A year ago we were in the worst economic condition with a serious recession. Unemployment was going up and employment was going down. But we followed the right course, I didn't succumb to the quick fixes that were recommended by the Congress. I said there was a better way, to rely on the free enterprise system, the private sector in America. And the net result is we now have 87,400,000 people gainfully employed, on the job in America, an alltime high, and that is a darned good record. As a matter of fact, in the last 12 months we have added 3,300,000 more jobs in America; in the last month, 710,000 more jobs. We are on our way. Everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. That is a good program, and we are very proud of it.

But let us talk for just a minute about some of the things that do concern, I am sure, as I understand, about a third of the people in this great State of Nevada. A lot of people for the last 40 years have had faith and trust in the money that they were paying into the Social Security Trust Fund, and 33 million Americans today are relying on social security because they have earned it.

And a good many millions of Americans today are participating, expecting their government will keep faith with them. But because the Congress has procrastinated, the Social Security Trust Fund is in some jeopardy.

As a matter of fact, in this 12-month period, \$3.5 billion will be the deficit. In other words, the income is \$3.5 billion less than the expenditures, and next year the deficit will be \$4 billion.

The Ford administration believes in facing up to the cold, hard facts, and I know some people have urged and advocated that we duck the issue in the Oval Office. I said in January this year that wasn't fair to 33 million people who were counting on their government keeping faith.

So, I recommended some action that would preserve the financial integrity of the Social Security Trust Fund. I believe that's the only honest, responsible thing to do, because we have an obligation to make certain that those who have retired and those about to retire have the security that they expect.

I only cite this because some people in one way or another want to play politics, whether it is social security or some of the other programs and problems that we have. It's my firm conviction that the best politics is calling them straight and dealing fairly, justly, and responsibly with the American people.

The Federal Government, for the last few years, has been spending its money at an accelerated rate. The rate of expenditures in the Federal Government for

the last 6, 8, or 10 years has been an increase of 11 percent per year. If that rate of increase in Federal spending went on and on and on, this country would face a very serious economic and financial problem from which we probably couldn't recover.

So, last November and December, when I had the obligation of putting the Federal budget together, I looked at the figures, the forecasts, the future, and I said the only way that we can maintain the financial and fiscal integrity of this country was to cut the rate of growth in Federal spending by 50 percent.

So, when I submitted the budget to the House and the Senate in January, we reduced the rate of growth in Federal spending by \$28 billion. And if we have the faith and the strength, and if the Congress will cooperate, we can have a balanced budget by 1979 and give you another tax decrease at the same time.

But speaking of taxes, in January I recommended that the Congress approve a \$10 billion tax reduction, 75 percent of it to go to individuals, 25 percent of it to go to business. The part for business is to permit American business to expand, to give them an opportunity to provide more jobs, and every year we have around 2 million more younger people coming into the labor market. So, the economy of this country has to grow and businessmen have to have an incentive to expand, to modernize.

But let's talk about the tax decrease that I recommended for individuals. What would it do? The principal benefit would be to increase the personal exemption from \$750 per person to \$1,000 per person. That's so that you can spend your own money and the government won't waste it for you.

But, let's talk about our national security. Refresh your memory. Just about a year ago the war in Vietnam was ended, and we're on a path of peace, we've achieved it, we have it, we're going to maintain it. And the way to do it is to have the unsurpassed military capability that the United States has today. There isn't a single responsible military leader in this country who doesn't feel that we have the military strength, the weapons, the people, the leadership to meet every mission, every challenge that this country might be called upon in the months ahead. We can deter aggression, we can maintain our national security, and we can keep the peace—keep the peace, yes, for us, but mainly what we want is the peace for the younger people, the children of our generation and the children of their generation.

By keeping America strong, as we are today, we can keep the peace and we can build a better and better America.

You have a great primary in the State of Nevada on Tuesday. It's one of six primaries. Nevada is very important. We have good leadership with the Presi-

dent Ford Committee in this great State. We obviously have a lot of fine people that are interested in making certain that we get a maximum vote and, as Bob List was telling me this morning, in the State of Nevada the delegates are allocated on a proportionate basis. So, every vote that you get, every vote that supports the President and his policies, gives us a better and better opportunity to get more and more delegates.

And, speaking of delegates, we got some good news this morning. The State of New York had a convention of their delegates and 119 of them are pledged for President Ford, 18 for my opponent, and 15 noncommitted, which takes our delegate count up to 697. We're well on the road for a bandwagon in Kansas City.

But let me say the countdown has started in Nevada as it has in five other States on tomorrow. I want your help. I want your support so that we can continue the kind of programs of peace, prosperity, and trust for the next 4 years.

I won't let you down. I hope you can help me to the maximum tomorrow.

Thank you very, very much.

NOTE: The President spoke at 12:53 p.m. in the Meeting Room at the Las Vegas Convention Center. In his opening remarks, he referred to Oran

Gragson, chairman, and Glen Mauldin, secretary/treasurer, Nevada President Ford Committee, and Robert List, Nevada State attorney general.

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Exchange With Reporters on Arrival at San Diego, California. *May 24, 1976*

GOOD AFTERNOON. It is great to be in San Diego. We've had an excellent trip—Oregon, California, Nevada—and now we are here in San Diego. We're trying to do the same here that we have done elsewhere on this trip—lay out what the Ford administration believes in, what we've actually accomplished, which can be summarized: peace, which we have achieved—we have, and we intend to maintain; prosperity, which we didn't have a year ago but we're well on the way to a total and I think a complete economic recovery—we've added some 3,300,000 jobs in the last 12 months, over 700,000 in the last month; and were restoring the kind of confidence and trust that I think the American people want in their Government in Washington.

I am very pleased with the leadership that we have on my behalf in the State of California. We recognize that we are an underdog, but I have won a few

ballgames when we came from behind, and we are going to try very hard here in the State of California.

I would be glad to answer any of your questions.

REPORTER. Mr. President, how critical is the California primary to you, sir?

THE PRESIDENT. Well, the California primary is a critical one, obviously. Every one we have had—and I might add, I have entered every one and we expect to do our very best in the final go-around, not only in California on June 8 but in Ohio and New Jersey. They are, of course, very critical and very crucial.

Q. Mr. President, you mentioned jobs, but in San Diego the situation hasn't improved that much with the unemployment picture. What do you have to offer us voters here in San Diego County?

THE PRESIDENT. Of course, the Navy shipbuilding program that I have advocated and that I have added to in the last month will have a beneficial impact on the overall economy here in San Diego. I think also the overall improvement of the economy is inevitably going to have a beneficial result here in San Diego.

In the interim, of course, we will do the things that are needed and necessary with our summer youth program, which I recommended, that we'll spend about \$528 million in 4 months this summer. Of course, a substantial part of that will come to San Diego. So, San Diego, I'm sure, like the rest of the economy, will come back and will be a healthy and prosperous area.

Q. Mr. President, when you talk about quality education are you speaking about desegregated education?

THE PRESIDENT. I am talking first that quality education is our prime responsibility. But, at the same time, we have to maintain the constitutional rights of individuals that we should not have segregation. I think we can have both. If we do the right thing, both with the courts on the one hand and the Congress and the President on the other, we can achieve quality education without undermining the constitutional rights of individuals to have desegregation.

Q. Mr. President, do you believe that you can come away from Kansas City after the convention with the party united behind you?

THE PRESIDENT. I think so. I have tried to minimize any personal confrontations. There are some basic differences between myself and my opponent, but I don't think they will adversely affect the Republican base or the Republican structure throughout the United States. I will certainly maximize my efforts to heal any ruptures that might have occurred between now and Kansas City. And

Republicans know very well that the only way we can achieve success in November is to have a unified party, and I will do my very best to achieve that.

REPORTER. Thank you.

THE PRESIDENT. Thank you all. It is nice to see you. We look forward to being in San Diego.

NOTE: The exchange began at 3:23 p.m. at Lindbergh Field, San Diego International Airport.

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Remarks to Members of the San Diego Chamber of Commerce and the San Diego Council of the Navy League. May 24, 1976

Thank you very, very much Pete, Congressman Bob Wilson, your Attorney General, Ev Younger, Admiral Stoecklein, Evan Jones, members and guests of the Navy League and Chamber of Commerce:

It's a great privilege and a very high honor for me to have the opportunity of being in the beautiful city of San Diego, speaking to the Chamber of Commerce and the Navy League. You and I have very much in common. We share a deep belief that our free use of the seas is fundamental to our national economy and to its security.

San Diego and the Navy have grown steadily—gone steadily together, I should say, over the past 75 years in a very successful partnership. It's been good for both the Navy and for San Diego. San Diego likes the Navy, and the Navy obviously likes San Diego.

This afternoon, let me share with you some of my own personal thoughts on our naval forces, describe some of the reasons for my decisions as President, and chart our direction for the future.

The oceans have always served the United States both as a barrier for defense and as avenues of commerce and influence. Ninety-nine percent of our overseas trade moves by ship. We have two States, the Commonwealth of Puerto Rico, and the territories of Guam, Samoa, and the Virgin Islands linked by the sealanes to the continental United States. Furthermore, the vast majority of our allies—41 of the 43 nations with whom we have security treaties—lie overseas. Since our neighbors to the north and south are friendly, our major strategic interests and our major, general political and economic interests depend on maintaining our access and control of the seas.

We and our allies must maintain our freedom to move over, across, and beneath the seas. We must not only be able to protect the sealanes, we must be able to

protect our power, or project our power, I should say, from the sea onto the land—wherever and whenever we must—and we must be capable of preventing our enemies from doing likewise.

When I shipped out of San Diego as a lieutenant in October of 1943, as a very junior member of the crew of the U.S.S. *Monterey*, CVL-26, America was on its way to becoming the strongest naval power the world had ever seen. We emerged from World War II with an overwhelming Navy superiority.

In the next two decades, we replaced many ships in our fleet with more modern ones, but much of it remained World War II vintage, and by the 1970's, we were faced with the block obsolescence problem and a very serious one.

When I came into office 2 years ago, this threat to our seapower was one of the most serious problems that I faced as President of the United States. I knew that we had to maintain a naval force able to counter any adversary on the sea today. At the same time, we had to lay the keels for the ships which would provide the foundation of America's combat-ready fleet in the 1980's and the 1990's, as well as beyond.

Our defense structure stands, I think most of us recognize, on four basic premises. First, we must have the military might necessary to meet any challenge. Second, our allies and adversaries must know that we, the United States, have that power. Third, we must have the will to use our weapons if we must to protect our national interest. Finally, all who consider or might consider aggression must know that we, the United States and 215 million Americans, have the willpower and the respect for it.

The basis for our present naval superiority is broad and is built upon American technological skills. Our aircraft carriers are unmatched, and we can bring squadrons of our newest aircraft within range on land or on sea. Our submarines are more advanced, and our expertise in the critical areas of amphibious warfare, antisubmarine warfare, and fleet resupply are unsurpassed.

And perhaps a single deciding factor, one of special interest to you in the Navy League, is the quality and the caliber of the men and women of the Navy, as well as in the Marine Corps. Their training, their professionalism, their experience are unmatched. I know and admire their dedication to duty. Both our allies as well as our adversaries are fully aware of our tremendous naval power.

We must, however, commit ourselves fully to maintaining the superiority of American seapower. Ever since I became President, I have fought to reverse a dangerous trend in the Congress of the United States toward giving defense a smaller and smaller slice of our total Federal budget.

Between 1964 and 1974—it's almost unbelievable, but it's true—the Congress cut \$50 billion from defense spending. I fought, as Bob Wilson knows, this dangerous trend for 25 years in the Congress. For 14 of those years, I was in the thick of it on the Defense Appropriations Subcommittee handling all the money, the programs, the policies of the Army, the Navy, the Air Force, and Marines. And it might be possible that one or more people in this audience came before that subcommittee during that span of time.

As President, after this struggle in the House of Representatives and in the Congress, I had the chance personally to take the decisive action, and I took it. My budgets for fiscal year 1976, our current year, and 1977, the year that begins October 1, were designed to produce a net increase in the size of our fleet. My fiscal year 1976 budget contained \$5,400 million for Navy shipbuilding. For the next fiscal year, which begins in October, I increased that request to \$6,300 million. I budgeted for 16 new ships for our Navy—a one-fourth increase over our average shipbuilding in the previous 9 years.

At the same time, I saw that the new programs or problems that we faced demanded a sweeping new approach. I called for a study within the National Security Council of our long term naval requirements and shipbuilding needs. This blueprint for our future naval requirements is not yet finished in its entirety. Its tentative findings, however, confirm that we must increase our shipbuilding efforts and do it now. For this reason, I recently asked for another \$1,200 million over our original budget of \$6,300 million for fiscal year 1977. This add-on will provide for the construction of five additional ships and advance funding for a new *Nimitz*-class aircraft carrier, the finest afloat.

The Navy needs these ships. The fact is we cannot afford less. We must have a balanced Navy, one that can deter conflict but one that can, if necessary handle the full spectrum of possible conflict, from firing a warning shot across the bow to winning an all-out war.

Our Navy must be modern and it must be balanced. Such a naval force requires a major effort to build new ships and requires that we continue to modernize an existing fleet and its arsenal. With your tremendous technological and productive capacity here in California, you will continue to play a very crucial role in this important effort.

Through the years, southern California industry has also made enormous contributions to another vital area of our national defense—aircraft design and technology. United States aircraft, both military and commercial, outperform their counterparts throughout the world. The B-1, our newest strategic bomber, represents the ultimate in advanced aircraft design and performance.

Here again, however, the Congress—or at least some in the Senate—seem intent upon turning victory into defeat. After completing the most thorough test program in the history of manned flights, now 90-percent complete, after three Presidents and seven Secretaries of Defense and every Congress since 1970 has certified its value as well as its importance, after almost 25 years since our last strategic bomber was built, the Senate has jumped in at the last moment and said, “Let’s wait until next February.”

I believe the American people will recognize the transparency of that kind of political interference with our national security needs. On November 1, I will make the final decision on whether or not to go ahead with production of the B-1. The money the Senate wants to hold back would be spent only if and when the tests are completed in a very satisfactory way and met all the standards and specifications established and only if I have made the decision to go ahead with production. I sincerely hope that the Congress will understand the folly of preventing us from being able to produce this aircraft in a timely manner.

We are strong today, and our allies and our adversaries know it, and that’s why America today is at peace. Let there be no doubt whatsoever, we intend to stay strong so that we can stay at peace.

We will continue to give our soldiers, sailors, airmen, and marines the tools, the finest tools, to do the job. We will use our weapons if we must. We will always favor reason over force, but we will use force if force is necessary for our national security and our precious freedom. We will stay strong by maintaining America’s total strength. That means we must keep America’s economy strong.

Not long ago, America’s strength was threatened not by a foreign adversary, but by our own economic problems. Too many Americans had lost their jobs. Inflation was eating up the value of our dollar. Business feared to invest, and the future in many parts of the world, in many industries, many communities—looked very, very bleak.

There were some who lost faith in our great, private economic system in America. They thought that we could only get out of the recession if we bought our way out with a Federal check or by letting the Government interfere in the people’s business. But we didn’t panic; we didn’t lose our cool. We decided to fight this threat to America’s strength with a sound, steady, and constructive program of action.

We gave tax cuts to consumers, incentives to industry, and we made every effort to hold down the cost of government. As Pete said, we were able to cut the projected growth in Federal spending as a whole by 50 percent. The trend in government expenditures over a period of 10 years had been at the rate of

10 or 11 percent per year. But we were able, through the work we did in preparation of that budget, to reduce that rate of growth from 10 to 11 to 5.5 percent, and actually reduced, in total dollars, the growth by some \$28 billion.

And I think that this is significant, because at the same time we were able to turn around the trend that had been going on for another 10 years—the decline in the percentage of expenditures for the Army, the Navy, the Air Force, and Marines—and for the first time in about 10 years, the Defense Department, in the budget I submitted, will be an upturn.

Yes, we have made some progress in the submission of the fiscal '77 budget, but we still have some battles ahead and, as was mentioned by Pete, the Presidential veto is an important weapon in the fight to hold down Federal spending.

The Congress knows that the President has that weapon. It's part of the Constitution, and the Congress knows that the President has the will to use it, because I have used it 49 times to save the American taxpayer \$13 billion.

Now, we are in the full surge of our economic recovery. Inflation has been cut in half. In the first 4 months of this current calendar year, the rate of inflation is at an annual average of 3 percent or under. Since the bottom of the recession about a year ago, we have gained 3,300,000 jobs in America.

More Americans are employed today than ever before in the history of the United States. We actually have 87,400,000 people on the job in the United States. America's faith and America's confidence in our economic system has been restored. We will maintain that confidence, and we will keep our economy strong.

One way we will do that is by minimizing Federal interference in America's commerce. I believe the Government can and should help individuals in business when it's absolutely necessary. But by far, most of the time we should stand back and let the American people get on with the job.

Just as we are laying the foundation for a bigger and better Navy, so we are laying the foundation for a new prosperity in America's third century. That will be a century for individual achievement and self-fulfillment.

In our next century, Americans will build on all the great accomplishments of our first 200 years. But to do that, Americans must be secure in their homes and on their streets, in their jobs, and in a peaceful world. It must be a century of security for all Americans. That is the goal of all our efforts in defense, in diplomacy, and economic stability. All our efforts in the last 2 years, both at home and abroad, have been laying that foundation for a peaceful and a prosperous third century for the United States. There can be no better way to honor our Bicentennial.

Thank you very much.

[At this point, the President concluded his remarks in the International Room of the El Cortez Convention Center and went downstairs to address the overflow crowd as follows:]

Thank you very much, Mayor Pete Wilson:

I am not going to repeat what I said upstairs, but let me say how nice it is to come to San Diego and to make some new friends and to meet some old friends—and three ex-shipmates, as I walked out, that I didn't know were in the audience—Admiral Tom Hamilton, who was one of my shipmates in that he got me, along with a good many others, to join the Navy back in 1941, and then two of my shipmates on the *Monterey*, which was CVL-26.

So, it's nice to come and see all of you and to run into people that you knew and worked with and had an opportunity to serve with. There are some real blessings in having a chance to travel around the country and meet people, as well as get reacquainted with old friends.

It's just nice to see you, and let me reassure you that if I had the opportunity to continue the job that we have undertaken, I can assure you without any hesitation, qualification, or reservation, we won't let you down.

Thank you very, very much.

NOTE: The President spoke at 4:10 p.m. at the El Cortez Convention Center. In his opening remarks, he referred to Mayor Pete Wilson of San Diego, Evelle J. Younger, California State attorney general,

Rear Adm. Herbert G. Stoecklein, USN (ret.), president of the San Diego Council of the Navy League, and Evan V. Jones, president of the San Diego Chamber of Commerce.

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Remarks at a President Ford Committee Reception in San Diego. May 24, 1976

THANK YOU very much, Maggie, and thank all of you for being here. I'm darned encouraged by what I find in California. One of the very nice things that I find in traveling around the country and meeting people like all of you here is not only to make new friends and acquaintances but to see some of the people that I've known over a long, long period of time.

There's a very good friend of mine from a good many years back, Phil Bengtson. He played football at the University of Minnesota when I played at the University of Michigan. We were good rivals in those days. He probably gave me a hard time, and I tried to reciprocate, but we were also friends when we came out to the Shrine East-West football game, played on the eastern team against

the western team in San Francisco, and then later went on and played in the All-Star game in Chicago.

But what I'm saying is that it's a great opportunity for me to renew acquaintances, to make new friends. But let me be very clear on one point. I appreciate your help. I think we have got a program that's good for America. And it's a program I want to work on and to achieve in a better way and a longer process for the next 4 years. And I need your help.

What you all do between now and June 8 can make a significant difference in California. You will man the phone booths, you will talk to your friends, you will talk to your neighbors, you can get others enlisted to do what you are doing. Underdogs—and I frankly think we are an underdog—but I want to be very clear on this point—I've seen underdogs win, and I think we have the potential of winning. And I want to make a pledge to you right here and now that Jerry Ford is going to be fighting until the last hour in the State of California.

We're going to do it because what's happened in the last 22 months I think justifies the need and necessity for us to have an opportunity to serve the American people for the next 4 years.

What have we done? Reflect, if you will, or recollect the circumstances in August of 1974. We were going through a traumatic economic experience. Inflation was over 12 percent. The American people were on the brink of a serious economic recession, where unemployment went up and employment went down.

We were faced with some serious problems overseas. Our allies were apprehensive; our enemies, our adversaries, were in a position where they might have sought to take advantage of the uncertainty of American will. There was a lack of faith and trust in the White House itself. In the last 22 months—because we didn't panic, because we held a firm hand on the tiller—this country has turned around. We've restored faith and trust in the White House. The open, candid, frank policies that we've pursued all the time of my political life we have carried out since I have been in the Oval Office, and we will do exactly the same thing for the next 4 years. The American people like that, and that helps us in trying to recruit people and to get votes between now and June 8.

Now, in addition, go back just 12 months ago. The economic recession we were in was the worst in 40 years. A few of us here can remember the depression of the 1930's. But in 1975 we were on the brink of very serious economic problems. But we have turned it around. The rate of inflation has gone from over

12 percent to 3 percent or less in the first 4 months of 1976. That's a 75-percent reduction.

The people have to have jobs, and if you go back for the last 12 months and bring it up to date, we have added 3,300,000 jobs in a 12-month period—710,000 more jobs in the last month. And at the present time we have 87,400,000 people gainfully employed, people who have jobs in America. It's an alltime record. And this is, I think, a great accomplishment. We did it without busting the treasury, without adding to our deficit significantly. It's my judgment that the policies we have pursued in the economic field have been healthy for America.

Now, I know you have some particular problems right here in San Diego, but I might add we have had some terrible problems in my State of Michigan. I was up there before the primary, and the people in Michigan had a real strong feeling that things were on the right track, we're on the up side. As a matter of fact, if you look at all the economic factors that economists shower you with from time to time, everything that is supposed to be going up is going up and everything that's supposed to be going down is going down, so I'm darned proud of the record. It's good for America.

So, when you add up increasing prosperity, restoration of faith and trust in the White House, and the fact that we have achieved the peace, we're maintaining it and we're going to keep it in the future with our military capability and our diplomatic skill, I think the record justifies another 4 years.

One final comment. As much as I want a strong and prosperous American automobile industry, I don't think it's the time for the public to trade in a reliable Ford for a flashier model.

Thank you very much.

NOTE: The President spoke at 6:05 p.m. at the Westgate Plaza Hotel. In his opening remarks, he re-

ferred to Maggie Mazur, cochairman of the San Diego County President Ford Committee.

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Exchange With Reporters at San Diego Harbor, California.

May 24, 1976

QUESTION. Mr. President, what was your decision on the tuna issue?

THE PRESIDENT. I indicated very strongly that the administration does not agree with Judge Richey's decision, and if it requires that there should be new legislation, the administration would support something like the legislation

recommended by Congressman Leggett of California. The tuna industry will be ended, will be destroyed, if the full impact of Judge Richey's decision is carried out.

And I've been very impressed with the innovative and the constructive new nets that have been just shown to me. It is my understanding that the loss of porpoises because of the new net is very substantially less than when the larger nets that you saw a few minutes ago were used. I'm told there is even a smaller net that is probably going to be in use.

So, the industry, the tuna industry, is seeking to correct the situation itself, and I applaud them, and I think we ought to work with them so that we can save the tuna industry. And, from what I am told, these new nets will also save the porpoises. So, it is a plus for both sides, if the action is taken both within the industry and by the Congress.

Q. What will you do specifically?

THE PRESIDENT. We will have spokesmen from my administration cooperate with the Congress to try and pass the legislation that will take care of the judicial decision.

Q. Mr. President, these are tuna fishermen who have had their vessels shot at in the past. They have tried very vigorously to maintain the conservation regimen. Do you feel a sense of sympathy or compassion for what these men and what this industry in this town has been through, and can you comment about that?

THE PRESIDENT. I certainly have had long sympathy for and admiration for the tuna industry and all the people involved in it.

Thank you all very, very much.

NOTE: The President spoke at 6:36 p.m. on board Diego Harbor. Prior to the exchange, he greeted the *Theresa Janene*, a tuna boat anchored in San the crew and toured the boat.

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Remarks Upon Arrival at Van Nuys, California. May 24, 1976

Thank you very, very much Congressman Barry Goldwater, Attorney General Ev Younger, my good friend Paul Priolo, Bob Wilkinson, Johnnie Grant, and then, of course, Rosemary, Alice, Ted, Sue, Dick—well, all of you from the San Fernando Valley:

I love you, and it's great to be here. My message to the wonderful people of the San Fernando Valley can be summed up—it's been a long day folks, but I

can be very frank and very honest in saying to you in a few words, as much as I believe in a strong and prosperous American automobile industry, and I do, I've come here to say this year there's absolutely no reason to trade in a reliable Ford for a flashier model. [*Laughter*]

But let me say, I am here asking you for one favor, my fellow Americans—for your support—because I think I have done a first-class job for all Americans in 22 months. I have done it under tough circumstances, but we have maintained peace, moved America on the road to prosperity, restored trust and confidence in the Presidency. And I am here in California to say I am staying in the race. And I want a mandate from you and all over America so I can finish the job that we started 22 months ago.

Peace, prosperity, and trust are the record of my performance since I became your President. It's a record achieved against what seemed like insurmountable obstacles. Consider for a few moments, if you will, where we were when I became President in August of 1974. You were, I am sure, told by some well-known economists, some labor and political leaders—they were predicting that we were heading into a deep depression; that unemployment would soon exceed 10 percent; that only massive Federal spending could avert a catastrophe.

Inflation had soared to an annual rate of over 12 percent. About a year ago, we hit the bottom of our worst recession in 40 years. Many were urging that we push the panic button. In Congress, the economic downturn set off a clamor for more and more, bigger and bigger deficit spending and all kinds of phony programs that wouldn't have solved the problem.

You and I know, standing here today in the San Fernando Valley, that the prophets of doom were wrong. We didn't panic. I never lost one bit of confidence in the American people. I retained what I think is a basic philosophy—that a government big enough to give us everything we want is a government big enough to take from us everything we have.

In those tough days, we resisted big spending schemes that would have caused larger Federal deficits and even more destructive inflation. We rejected the discredited techniques of all politics—tax and tax, spend and spend, elect and elect. Instead, we pursued a calm, steady, constructive policy to ensure America's economic health not just for an election year, but for the long pull. We had faith in America. I had faith in you here in this great valley, faith in the older people, the younger people, and faith that we could do the right thing for these young people I see in blue uniforms, brown uniforms—that's what it's all about.

Yes, the faith that we had had resulted not in a depression, not in a recession,

but in contrast, the full surge of economic recovery. Eighty-seven million, four hundred thousand Americans are on the job today. That's an alltime record, and I'm darned proud of it.

In the last 12 months, we have added 3,300,000 more people working in America. In the last month, we added 710,000 more people on the job in this great country. There is real evidence of a new prosperity, but I will not be satisfied until every American who wants a job can find a job. That is my criteria.

Inflation has been cut from the 12 percent of 2 years ago down to 3 percent, or under, for the first 4 months of 1976. That's progress—a 75-percent cut in the rate of inflation. I'm proud of it. We will do better in the months ahead.

In dealing with this irresponsible Congress—not good people like Barry Goldwater—[*laughter*—I vetoed 49 bills; 42 of them have been sustained, saving the American taxpayer \$13 billion. And you know, if the Congress sends any more of these budget-busting bills down to the Oval Office in the White House, I will use my veto again and again and again.

You know, it's about time that you got to spend your money the way you want to spend it instead of letting the Congress spend it for you. I'm totally determined that your tax dollars work for you as hard as you work for them.

I want the government to spend less, to tax less. Last year, we reduced Federal incomes taxes. This year, I proposed a \$10 billion tax reduction to begin July 1, which would raise the personal exemption—listen very closely—would raise the personal exemption from \$750 per person to \$1,000 per person. I know Barry Goldwater will vote for it, and we can do this if you get the pressure on the Congress to act between now and July 1 of 1976.

Let me assure you, I love this fight with the Congress, this irresponsible Congress that wants to spend your money, doesn't want to give you the kind of a tax relief that you ought to get.

Now, in addition to the kind of economic security and progress that we need in America, we have to be certain and positive that the national security of this great country continues.

Today, America is at peace. There are no American boys fighting anywhere in the world, and I intend to keep it that way. To make sure that our military strength remains unsurpassed in the future, I proposed the two largest military budgets in the history of the United States. But between 1964 and 1974, the Congress cut \$50 billion out of military budgets submitted by two previous Presidents and reduced the share of national security funds to the lowest in the history of the United States since the end of World War II.

During my administration, we are reversing the trend. We're going to make sure that we do the right thing for the Army, the Navy, the Air Force, and Marines, because you and I depend upon them for our security, for the maintenance of peace and the deterrence of aggression. We are proud of these young men, these leaders in our military forces, and I look around here and see them—gee, America owes them a great deal, and I thank each and every one of you for it.

I'm delighted to see Paul Priolo here, a great leader in your State legislature, and Bob Wilkinson, a great representative of local government. Believe me, it is a pleasure to work with them and to have their help and support.

But I am here primarily to ask for a solid mandate from you so that I can finish the job and make America truly secure for future generations. I will maintain the peace. I will secure the peace through strength and perseverance and leave the legacy of peace for our children and their children. I will continue my policies of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation, restraining Federal spending.

These policies have brought us from the depth of a recession to a sustained recovery and will ensure that runaway inflation never robs you or our loved ones of the rewards of honest work and lifetime savings.

Finally, I will finish the job in the 4 years—the restoration of trust and confidence in the Presidency itself. As your President, I will promise no more than I can deliver, and I will deliver everything that I promise.

Americans have always wanted a life better for our children than it was for each of us, because life has always been better for us than it was for our parents.

I will tell you what I see ahead for the great country that we live in. I see a strong and confident America, secure in a strength that cannot alone be counted in megatons, a nation rejoicing in its blessings that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 7:45 p.m. at the Van Nuys Airport. In his opening remarks, he referred to Evelle J. Younger, California State attorney general, Paul Priolo, California State assemblyman, Robert M. Wilkinson, Los Angeles city councilman, Johnnie Grant, master of ceremonies, Rosemary

Ferraro and Alice Ogle, cochairmen of the Los Angeles County President Ford Committee, Ted Pierce, regional chairman for the West Los Angeles and San Fernando Valley area President Ford Committees, and Richard Lithgow, president of the Van Nuys Chamber of Commerce.

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Remarks and a Question-and-Answer Session With Members of the Los Angeles Press Club. May 25, 1976

Thank you very, very much, John, Ev Younger, Mayor Bradley, Bishop Ward, members of the Los Angeles Press Club, and guests:

First, let me thank you from the bottom of my heart for the honorary membership in this very prestigious club. Let me say that 30 years ago I had no premonition that I would be here, either, on such an occasion. [*Laughter*]

But I also would like to thank your good mayor, Tom Bradley. The Ford family are deeply indebted to Tom and his wife. My wife Betty has been out here on a number of occasions, and I visited the city on quite a few occasions, and in each and every instance Tom and his wife have been very cordial and warm in their reception, and I thank you very much, Tom.

I might add that it is Ron Nessen's 42d birthday. You know Ron started his job as a young, healthy, alert, and vital newsman. [*Laughter*] Look at him now. [*Laughter*] But I might add as a postscript, I think Ron does a first-class job for me. Any of the problems that arise are mine, not his.

But, John and members of the press club, I am deeply grateful for the invitation to be here this morning. I am told that the Greater Los Angeles Press Club was founded on Friday, June 13, 1947, and 1 year later, for the celebration of your first birthday in 1948, you took over the Coconut Grove and invited the President of the United States to be your guest. Although it isn't quite your 30th birthday, I congratulate you and wish you many, many happy returns. And I hope that you will invite me back to help you celebrate your 31st anniversary or dedicate your new west coast communication center. If you do, I will accept.

The most memorable quote from Harry Truman's appearance before the press club here 20 years ago was his observation, "The President of the United States is behind the eight ball a good deal of the time." I don't see where things have changed a great deal. [*Laughter*]

But, exciting as President Truman's comeback trail in California was during the campaign, I wasn't paying too much attention to it. I had a campaign of my own to worry about, my first, in 1948. The main issue in my campaign was foreign policy, whether the United States should exercise its role of leadership in the post-war period or whether we should retreat into old-fashioned isolationism, whether we should demobilize further and reduce our defenses

for domestic programs or whether we, with our allies, should brace ourselves to bear a long-range cost of preserving peace and freedom throughout the world.

Although I disagreed with President Truman about most other issues in that campaign and denounced the Washington establishment at every opportunity, I supported him on such important international issues as the rebuilding of the Western Europe, the establishment of NATO, and the resistance to the Soviet threat.

Let me tell you how I reached that conviction, and I still hold this situation as America's role in building a safer and saner world. In 1934, as Hitler began his rapid rise to power, I finished the University of Michigan torn between my longstanding ambition to study law and making some money playing professional football. The first time I ever saw the Pacific Ocean was when I came to California to play in the Shrine East-West game on New Year's Day 1935. I got my first look at the Atlantic Ocean a few months later when I got a job as an assistant football coach at Yale University. I figured I could go to Yale Law School in my spare time.

But, they said that was unheard of, and it took me 2 years to convince the authorities that I could do both. Between the law library and the locker room, we talked about the wars, the rumors of wars that were going on in Europe as well as in Asia, and some of us believed Wendell Willkie's warning that America was a part of one world and should stand with the forces of freedom and decency if they were to survive.

I had just hung up my shingle and my Yale Law School diploma back in Michigan when the staggering news of Pearl Harbor turned all of our arguments into action. As it did for so many other Americans, California provided my last liberty on the way to the Pacific, and California was the first welcome sight at home at the end of World War II.

Many in my generation did not come back, but we who did were determined to build a peace in a world that would endure for our children as well as our grandchildren. We knew it was up to the United States because only through our sustained strength—military, economic, and moral strength—could there be a chance of lasting peace. So, I ran for Congress in 1948 on that policy of responsibility and perseverance and strength for the peace, and fortunately, I prevailed. And I run for President of the United States in 1976 on that same policy, and I intend to win.

I know that you want to hear specifics instead of generalities and facts instead of frustrations. The foreign policies of this country, in my judgment, ought not to be characterized as Truman policy, Eisenhower policy, or Ford policies;

certainly not Acheson or Dulles policies or Kissinger policies, but as the policies of the United States that reflect the real purposes of the American people when they follow their finest instincts.

Since Washington, who told us truly that the best way to preserve peace is to be prepared for war, there have been continuous elements in our foreign policy as well as unforeseen events and discouraging setbacks. We have, by-and-large, remained faithful to the principles on which this Nation was founded some 200 years ago: Self-determination and love of liberty, the obligation of the strong towards the weak and of the prosperous toward the poor.

We have learned the hard way that we cannot force freedom on the unwilling, that we cannot fill every outstretched hand, or involve ourselves in every faraway fight. But we can be an immense influence for good, for justice, for reason, and for peace throughout the world.

Let me cite just a few examples of what I mean specifically. Take SALT II—the negotiations with the Soviet Union to limit strategic nuclear weapons and launching systems. As everybody knows, both the United States and the Soviets have more than enough of these terrible weapons to deter any attack by the other. But until there is a mutually satisfactory agreement fully verifiable, neither side can permit the other to gain strategic superiority, and so both sides continue to build more and more systems at a very tremendous cost.

What is our United States objective in SALT II? To further reduce the dangers of a runaway thermonuclear arms race and the risk of an unthinkable holocaust. What are we trying to agree upon with the Soviet Union? A cap or ceiling on the total number of launchers and bombers either side can have ready for use at any given time. If new ones are added, the same number of existing strategic systems have to be scrapped.

At Vladivostok, for the first time, we agreed to equal numbers of missile launchers and bombers for us as well as for them. For years the Soviets had held out on the grounds that their defense needs demanded that they have more than we. Furthermore, the equal numbers we agreed upon would compel the Soviets to destroy some of their existing strategic systems and allow the United States to complete our present programs.

What remains for both sides is to find a way to deal with certain new missile and other systems capable of either strategic or tactical use. We call them more or less gray area weapons systems. And, of course, whatever is agreed to would have to be mutually acceptable to both sides.

If this is resolved to our satisfaction, I will send the negotiated treaty to the United States Senate for full scrutiny and public debate. This is true of all of our

treaty negotiations, with super powers or with smaller neighbors. We are doing nothing behind the backs of the American people or contrary to the constitutional checks and balances on the Presidential power to conduct foreign relations with other countries.

And there is one more thing that I can tell you: Whenever I get a good agreement that protects the interests of the United States and advances the prospects of permanent peace, I'm going to sign it and send it to the United States Senate whether it helps me or hurts me in this election.

In Portland the other night, I talked about Africa. I will only repeat that this huge continent commands the sealanes of the South Atlantic and the Indian Ocean as well, as well as a wealth of raw materials which we increasingly rely upon.

The Soviet Union recently demonstrated an intense interest in the southern part of Africa and our Congress deliberately let strategic Angola fall under their influence. I have used and shall continue to use diplomatic countermeasures and whatever means may be essential to our national security to keep open all of our strategic sealanes and to check Soviet involvement and Cuban adventurism, whether in Africa or the Americas. But I will take the path of peaceful persuasion and negotiation as long as it is open. I will not let the United States' foreign policy become a political football if I can in any way possibly help it.

But let's turn to the Middle East, under another strategic area of the world, where our perseverance for peace is at least paying some dividends. I am very proud of last year's Sinai agreement as a milestone on the road to peace between Israel and her Arab neighbors which would have been inconceivable a few years ago. The leaders of both Egypt and Israel trusted the United States, trusted us sufficiently to take this historic first step after decades of distrust and four costly wars, not only bringing death and destruction to them, but also threatening a confrontation between us and the Soviet Union.

Because of the foreign policy, we have pursued a friendship and fairness toward the moderate Arab nations and a continuing commitment to the security and survival of Israel. The United States—and the United States alone—can exercise such influence for peace and stability in the Middle East.

Ours is not a policy of threats or bluster, but of firmness, patient mediation, and growing trust. A strong Israel is essential to a stable peace in that area, the disruptions of which in 1973 brought on the oil embargo that not only weakened our economy but crippled Western Europe's as well. Our commitment to Israel is demonstrated by almost \$4 billion in the two budgets that I have submitted to the Congress, which is not only in Israel's interest but in our own and the

free world's. But our strengths and our goals of peace and freedom will be to no avail if we lack the will, the unity, and the steadfastness required to use our power to support our friends. If there is a doubt, if there is uncertainty about our cohesiveness and the clarity of policy, our friends cannot be protected nor our opponents dissuaded from aggressive adventures.

President Truman, recalling the whistlestop campaign that brought him behind your eight ball in 1948, wrote in his memoirs that there could hardly have been a worst time for a political election than in that summer. He was trying to persuade the Russians to negotiate and to prevent a war in the Middle East.

While he was battling the "do-nothing Congress," as he called it, he was also being assailed by the right wing of his own party for being an appeaser and by its left wing for being a warmonger. Well, as Mr. Truman often said, if you can't stand the heat you should stay out of the kitchen.

So, now, being in the same kitchen behind the same eight ball, I would be glad to respond to as many of your questions as we have time for.

Thank you very much.

QUESTIONS

GOALS OF FORD ADMINISTRATION

[1.] Q. Good morning, Mr. President. There has been some criticism that your campaign lacks a theme; they say it lacks vision, a rallying cry. Would you please respond to that, sir?

THE PRESIDENT. I believe we have a theme. I have been preaching it almost from the inception of this administration but, more directly, since the campaign started in January in New Hampshire; peace, which we have achieved and which we intend to maintain; prosperity, which we have accomplished despite the problems of the last 12 months, we are well on the way to a surging economy; and the restoration of trust and confidence in the White House itself.

And my vision, as far as the next 4 years and the next century, can be very simply put—and let me go back just a bit. Our first century of America resulted in the United States accomplishing the unbelievable, of having a good, free government where freedom was a vitally important ingredient and where the procedures for government were well established. Our second century of this great country developed our industrial capacity so that we now have the greatest capacity in that regard of any nation in the history of mankind.

The vision that I have for the next 4 years and for the next century, is just this: Our third century ought to be the century for the individual. I think we have become dominated by mass government, mass education, mass labor, mass business, mass industry. I think it is about time that we ought to put the emphasis in the next hundred years on the individual. And that's my vision for this country.

JUDICIAL RESTRAINT OF THE NEWS MEDIA

[2.] Q. Mr. President, the news media are increasingly concerned with the tendency of the courts throughout the United States to conduct trials in secret and to issue gag orders which we consider to be in violation of the Constitution. Does your administration plan any action with regard to that?

THE PRESIDENT. We, in my administration, have some differences with the courts ourselves—[*laughter*]*—*so I have been admonished by my Attorney General and other legal advisers that I should not, under any circumstances, tell the courts what they should or shouldn't do. I've been tempted, but I've bitten my tongue on a good many occasions.

I can only say that I sympathize with the views that the news media have. I think it would be unfortunate if the courts of this country should close the doors to the public and to the press in the conduct of either criminal or civil trials. Our society has always been, and I hope always will be, predicated on openness. And I might add parenthetically, that is one of the things we have tried to do in the White House in the last 22 months. So, I am sympathetic, but I am not sure that we can do anything in a legislative way to remedy the situation. Maybe a few new judges might help, however. [*Laughter*]

SECRETARY OF STATE KISSINGER

[3.] Q. Mr. President, you talked about the successful Sinai agreement, and Mr. Kissinger has played a large, important role in the Middle East. He has suddenly resigned and, you are having, of course, pressures from Mr. Reagan. And I just would question Mr. Kissinger's resignation, and is that politically motivated?

THE PRESIDENT. Well, I am not familiar with any words or actions by Secretary Kissinger that would indicate that he is going to resign. I strongly support our foreign policy, which is a result of decisions that I make and which is the result of the execution of it by him as Secretary of State.

How do you judge whether a Secretary of State has done a good or bad job? I think the way you do it is to see whether this country has achieved, main-

tained, and has a capability of maintaining peace in the future. And when you look at the policy of this country at the present time, we have achieved it, we are maintaining it, and we have, I think, the opportunity to continue the maintenance of peace.

So, when you have a good policy and the person responsible for its execution—I don't think you ought to break up a good team. And I don't intend to let Secretary Kissinger go, because I think he has been a darned good Secretary of State.

REASONS FOR VOTING FOR PRESIDENT FORD

[4.] Q. Mr. President, I was going to ask a question about Secretary Kissinger, but I think I will change it in view of your answer, because you have already answered it.

Why should the people, especially the Republicans of California, vote for President Ford instead of Governor Reagan?

THE PRESIDENT. Well, I appreciate the change of question that you—[*laughter*]*—*well, my answer is very straightforward and very simple. In the 22 months that I have been President, I have turned the economy around, and the situation was very serious when I became President—inflation, 12 percent; we were on the precipice of a serious economic recession. The record shows that we have turned the recession around so we are moving in the right direction, both from the point of view of employment and unemployment. And certainly we have made great strides and progress in combating inflation. We have ended a drastic and serious and frustrating war in Vietnam.

And the prospects for peace in the future, I think, have never been better. We have the alliance of our friends in Europe and the Pacific and we have the respect of our adversaries. And certainly, the open door and candid and forthright policies we have had in the White House since I have been President, in my judgment, justify another 4 years for Jerry Ford.

ANGOLA

[5.] Q. Mr. President, it is nice to see you, sir.

THE PRESIDENT. Nice to see you again, Dan [Dan Ritter, Long Beach Independent Press Telegram].

Q. Thank you.

Mr. President, you said that Congress deliberately let Soviet influence spread into Angola. What do you believe Congress should have done to stop that?

THE PRESIDENT. Well, prior to the Soviet massive intervention and prior to the Cuban intervention, with some 12,000 to 15,000 military personnel, there were

3 forces—the MPLA [Popular Movement for the Liberation of Angola], which was being supported to a minimum degree by the Soviet Union; the FNLA [National Front for the Liberation of Angola]; and the UNITA [National Union for the Total Independence of Angola] forces which we, to a degree, were supporting.

It looked, as I recall, in October, that if we were able to add a few million dollars with no U.S. military personnel, that the UNITA and the FNLA forces could have prevailed. And I went through the proper procedure with the various committees of the House and the Senate, told them what we wanted to do with the money that they had made available for our intelligence covert operations.

The Senate, particularly, said no; in other words, cut our ground from underneath us. And the net result is we couldn't spend the money to help the two what we thought were the legitimate forces in Angola.

The minute the Senate of the United States and eventually the House joined them in removing our capability to spend this money in conjunction with some other allies throughout the world who were ready to help us—the minute that happened, the Soviet Union accelerated its military involvement with some \$200 million worth of arms, sophisticated weapons, and the Cuban troops moved in en masse. And when that happened the Soviet weapons and the Cuban personnel, the UNITA and the FNLA were wiped out and the MPLA took over. And the net result today is you have a festering situation in Angola where you still have 12,000 to 15,000 Cuban mercenaries, supported by the Soviet Union, and the danger of that situation developing in other southern African countries. I think it was the worst mistake that the Congress has done in a long, long time, because it has accelerated the radicalism in southern Africa.

And when I sent Secretary Kissinger over there 2 or 3 weeks ago, it was aimed at trying to get the moderates to come back from radicalism and to keep the radicals from going into a violent race war, and I think we made a lot of headway.

But this all could have been avoided if we hadn't made a serious mistake—when I say we, I say the Congress—it all could have been avoided if they had given us a relatively small amount of money to help what I think were the legitimate parties in Angola.

Q. Mr. President, this will be the last question.

THE PRESIDENT. We can have one more after this if somebody is ready, willing, and able.

SCHOOL BUSING

[6.] Q. Mr. President, I wanted to know whether you believe that there are some situations in which busing could help toward the implementation of the 1954 Supreme Court school desegregation ruling?

THE PRESIDENT. Basically, I have opposed the kind of busing remedy that the courts have utilized for the achievement of quality education. I think the courts have gone much too far in most cases in trying to achieve quality education by the imposition of court-ordered forced busing to achieve racial balance.

I am strongly opposed to segregation. I fully uphold the constitutional rights of those who have been discriminated against in the past. But the court really has a tool in court-ordered forced busing.

I can cite one case that I am personally familiar with where they handled that remedy in a responsible way—my own hometown of Grand Rapids, Michigan. A judge used good judgment and the problem was solved. We took care of segregation in a proper way constitutionally and, at the same time, we were able to put the emphasis on quality education.

But I can site some other judges—and I won't do that because the Attorney General admonishes me not to do so—where I think they have gone far too far, and the net result is we have torn up a number of communities, and it is tragic and sad.

I hope that the Supreme Court, in the proper case, can give some better guidelines, more specific guidelines to some of these lower Federal courts so that they can use a better judgment in trying to achieve, first, quality education and, secondly, the ending of segregation, and the protection of constitutional rights.

DOMESTIC PRIORITY OF FORD ADMINISTRATION

[7.] Q. Mr. President, if given 4 more years, what will be your administration's top domestic priorities?

THE PRESIDENT. The top domestic priority would be to ensure that this country has the kind of economic strength and equity that I think we can achieve. We have to get our rate of inflation down lower than it is even today. We have to provide jobs for the 1,800,000 young people who are coming into the labor market every year. We have to expand our capability to meet the thrust and the challenge of other economies around the world, both those behind the Iron Curtain and those in our free industrial society.

If we can provide the economic climate that I think—this Nation has such a

capability—in my judgment, most of our other problems can be solved in the process.

So, I intend to make sure that we keep for the next 4 years the kind of progress and headway in jobs, in licking inflation, and equity for those people who are seeking employment with the emphasis on the private sector.

Thank you all very, very much.

NOTE: The President spoke at 9:02 a.m. in the Grand Ballroom at the Hyatt House International in Los Angeles. In his opening remarks, he referred to John McSweeney, president of the Los Angeles Press Club, Evelle J. Younger, California State at-

torney general, and Bishop John J. Ward of the Los Angeles archdiocese.

Prior to his remarks, the President was presented with an honorary life membership in the Los Angeles Press Club by Mr. McSweeney.

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Exchange With Reporters on Arrival at San Jose, California. May 25, 1976

GOOD MORNING, everybody. It's nice to be in San Jose. We've had a superb trip that took us to two other States, plus the great State of California. It's nice to see two of my former colleagues here, Al Bell and Pete McCloskey.¹

I think we have had a very successful trip in California so far. The reason that I'm encouraged is the programs that I have tried to put forth, implement, and execute for the last 21 months have been programs that I find appealing to people in California.

We have tried, as I think all of you know, to restore confidence in the White House, to turn the economy around, to get more jobs, and we have achieved that with some 3,300,000 more jobs in the last 12 months. We have 87,400,000 people gainfully employed at the present time, an alltime record.

And if you look at the area of foreign policy, we have achieved the peace, we have it, and the policies, both military and diplomatically, will continue to maintain that peace. So, we are hoping and trusting that the people in the six primary States today and the three that come June 8 will give us the kind of support that will ensure the nomination and the election in November.

I will be glad to answer any questions.

REPORTER. Mr. President, how do you think you will score in delegates in today's six primaries?

THE PRESIDENT. I think we will break at least even. I am naturally hopeful

¹ Representatives Alphonso Bell and Paul N. (Pete) McCloskey, Jr., of California.

that we will get a few more than 50 percent of them, and from the reports we get in the six States, I think that will take place.

Q. Mr. President, I understand you do not have California on your schedule after this trip. The crowds in San Diego were not very large. Are you depressed at all about California?

THE PRESIDENT. I'm not depressed at all about California. The crowds where I have been have been excellent, the response has been very favorable. We have not made a final decision as to whether I will return to California. I would hope that I could, but we have to live within the law as to expenditures. And when we get back to Washington and analyze the situation, we will make a final decision. I sure would like to come back.

Q. Mr. President, this morning in Los Angeles you were asked about Secretary Kissinger and you said you have no intention of letting him go. Does that mean you will try to dissuade him from resigning if you are elected?

THE PRESIDENT. Of course.

Q. Do you think you will win all six States in the primaries today?

THE PRESIDENT. I don't want to get into picking one or another. We have analyzed all six, Phil [Phil Jones, CBS News], and our best judgment is that when the total number of delegates represented by those six States are added up, we will get at least a 50-50 break and hopefully a few more.

Q. Mr. President, can you give us a projection of where you think you will be going into the California primary, and that day, when there are primaries in New Jersey and Ohio as well, how do you think you will stand with Ronald Reagan?

THE PRESIDENT. Well, our best judgment is we will continue the momentum that we have. We think, of course, we will do well in New Jersey and Ohio, and we hope to do better here in California than some of the forecasters have predicted. We are still an underdog, but I have seen some good underdogs win in the final. We are still predicting in Kansas City we will get a first ballot victory.

Q. Has California become a make it or break it State?

THE PRESIDENT. We haven't analyzed that as yet, of course, it is, a crucial State.

Thank you all very, very much.

REPORTER. Thank you.

NOTE: The exchange began at 11:42 a.m. at the San Jose Airport.

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Remarks in San Jose, California. May 25, 1976

Thank you very, very much, Halsey, Congressman Pete McCloskey, Congressman Al Bell, your outstanding mayor, Janet Hayes, ladies and gentlemen:

It's just an overwhelming welcome, and from the bottom of my heart I thank you all very, very much. And let me say, if First Mama was here she would love each and every one of you. [*Laughter*]

I really enjoy the company of Americans who are working to bring more jobs and greater prosperity to our country, and that's why I'm especially pleased to be with all of you here today.

I have heard about your program. I know what you are trying to do. And I just compliment you and certainly extend to all of you the respect and admiration of 215 million other Americans. I'm proud of you, as you should be proud of yourselves.

One of my greatest responsibilities as President has been the task of revitalizing our economy. In meeting that challenge, I have placed full confidence in the strength of our free enterprise system and you have shown that faith is totally and fully justified. On your own here in San Jose, with your enterprise, your initiative, you have established an international business park to create millions and millions of dollars in new revenue for this area as well as provide as many as some 12,000 jobs over the coming years.

The new Foreign Trade Zone within the park will also strengthen our participation in the international market. It is good for you, and it is good for the country, and I wish you the very, very best with your international park and the trade zone. And I congratulate the members of the Chamber of Commerce on your new office building, and I thank you all for making my job a good bit easier. I'm very grateful and very thankful.

Now, your economic outlook here in San Jose looks bright, and I see the optimism all over the country, but I think we have to be honest and say it wasn't always so.

Just 21 months ago America's prosperity and America's economic strength were threatened by a chilling combination of recession as well as inflation. Some of America's leading economists and politicians thought it best to impose wage and price controls to deal with America's economic problems. Others insisted that we spend massive amounts of Federal dollars to stimulate the economy despite the danger of feeding an already dangerous inflation.

The way to real recovery, enduring prosperity in America was not through government quick fixes. It's never worked in the past and I knew deep in my heart it wouldn't work in America in the future.

I had a faith in America that it, as a country, and 215 million of us, would work our way out of its economic difficulties rather than to try and spend our way out. I proposed, and the Congress accepted, a major tax cut for individuals, tax incentives for business to expand and to increase job production so that we could get the great free enterprise system in this country working at full speed again.

We also began a comprehensive effort to restore the confidence of the American people in themselves, in their government, and in their future. This was absolutely essential—to restore the economic confidence of the consumer, a very, very key element in a recovery policy.

As we look back over the last 21 or 22 months, these policies have been successful. America is in the midst of a strong and surging recovery, and we, as Americans, should be very proud of it, as I am.

The real gross national product rose during the first quarter—January, February, and March of this year—at an annual rate of 8½ percent—far, far above even the most optimistic predictions. Since the bottom of the recession about a year ago, we have gained 3,300,000 jobs, and more than 700,000 new jobs in the last month alone. More Americans—87,400,000—are on the job today, more than ever before in the history of this great country. We are moving dramatically in the right direction, but I will not be satisfied until every American who wants a job can find a job.

We will not achieve full employment by letting the Federal Government plan and control our national economy. Just over a week ago, I proposed to the Congress a 4-year agenda for action on comprehensive regulatory reform in every major segment of our economy. My administration, since I have taken this great trust in this wonderful office, has undertaken some of the most fundamental reform in Government regulations and in reporting requirements in the Nation's history.

Small businesses in this country spend something like \$18 billion every year just to comply with government reporting requirements. Most of the merchants in America are small business men and women, and it's time they got back to working for their customers instead of working for the Federal Government. And it's time the Government minded its own business and let you run yours and your lives.

More government will not solve America's economic problems. The answer

is less government control, less wasteful government spending, and lower taxes for middle-income Americans.

I want to cut your Federal income taxes by some \$10 billion, beginning July 1 of this year, just a few weeks away. I want to increase the personal exemption from \$750 per person to \$1,000 per person. I want to enact an accelerated depreciation allowance and another investment tax credit to retain the \$50,000 corporate surtax exemption.

Let me change the subject, if I might. I have vetoed 49 bills sent to me by the Congress over the last 21 months. Responsible Members of the Congress sustained 42 of those vetoes and, incidentally, those vetoes have saved the American taxpayers \$13 billion. If the Congress keeps on sending me big spending, budget-busting expenditure bills, I will use my veto again and again and again. And that is in the best interest of this country.

If the Congress would act responsibly—and that is pretty hard for a majority of them, not Al or Pete, of course—if they would enact my tax cut proposals instead of thinking up new ways to spend your money, we could create in this country a tremendous demand for goods and services that would mean many, many more American jobs and lasting prosperity. That would be the inevitable result.

One of the most encouraging economic statistics is the index of consumer confidence. That's all of us, 215 million of us in this great country. Well, it's going up double what it was a year ago. In economic terms, that means, of course, the American people are spending more money, moving more goods, and even willing to borrow again for major purposes for the future. It means the American people are looking to the future with faith instead of fear. I have restored that faith by making my administration an open, candid, and forthright one, and I will promise no more than I can deliver and I will deliver everything that I promise.

As we came from the airport to this wonderful facility, I had an opportunity to talk with Mayor Hayes. She discussed with me the absolute need and necessity for Congress moving on the extension of general revenue sharing. Now, that term or title doesn't necessarily mean a great deal to all of you, but let me be quite specific. Back in 1972 it was decided that we ought to give to the 39,000 local units of government, including San Jose and the 50 States, about \$5 to \$6 billion a year so that the local people would make the decisions as to how that money would be spent instead of having some far-off bureaucrat in Washington telling you what you in San Jose ought to have or shouldn't have.

Well, that program has been a tremendous success, and I have talked to Mayor Hayes about it. I led the fight for that legislation in 1972. A year ago, I asked the Congress to extend that legislation for another 5¾ years. It's almost unbelievable that the Congress hasn't acted upon that legislation.

I know that my two former colleagues here in this auditorium today agree with me. But, if that legislation is not enacted soon, it means that the States—50 of them, and the local units of government, 39,000 including your great community of San Jose—will either have to increase taxes or reduce services.

I urge you in every way that you can to stimulate the Congress to move on this legislation. I am proud of the fact that I fought for it, and I am fighting for it now, and I don't understand those other Presidential candidates who don't think it is a good idea. It's good for San Jose, it's good for California, and it's good for America.

I was also told on the way in that there were some wonderful senior citizens in this audience here, and I would like to talk to them quite specifically, as well as talk to some of the people who are about to retire. For too long a time there has been a disposition on the part of the Congress to duck the problem that we face as to the financial integrity of the Social Security Trust Fund.

When I looked at the figures last November and December it was obvious to me that we had to face up to the fact that in a 12-month period, right now, there will be a \$3.5 billion deficit between revenues on the one hand and expenditures and benefits on the other. And if we don't act affirmatively and face up to the hard issue, it means that next year there will be a \$4 billion deficit and the following year it will be over \$4 billion. This trust fund could soon come down to zero.

I think every public official in this country owes an obligation to our older citizens because they have earned what they get from the Social Security Trust Fund, and we won't let you down. Those politicians who duck the issue I think are not playing fair and square with the 33 million Americans who are today receiving benefits and the millions and millions of other Americans who are paying and expect their government to live up to its obligation.

As long as I am President, we are going to find a way to keep our commitment to those under social security. I assure you of that. As I finish, let me ask each and every one of you, that I hope and trust that the record I have carried out for the last 22 months would justify your support. We have returned peace to America. We have the capability militarily and diplomatically to ensure that peace. We have turned our economy around, and we are on the upswing of a

surging prosperity. Everything that is supposed to be going up is going up and everything that is supposed to be going down is going down.

Finally, I think I have restored trust in the White House and the Oval Office. I want to pursue a steady, constructive course that has led us from war to peace, from recession to recovery, from cynicism to confidence, and from fear to faith. With your support, with your mandate for the next 4 years, I will continue to work for an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, and where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 12:10 p.m. at the Center for the Performing Arts. In his opening remarks, he referred to Halsey Burke, master of

ceremonies and chairman of the Santa Clara County President Ford Committee, and Mayor Janet Gray Hayes of San Jose.

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Remarks at a President Ford Committee Reception in San Jose. May 25, 1976

WHEN I look at all this wonderful talent and these fine supporters, obviously I can't help but be enthusiastic about our opportunities and our prospects on June 8.

We have found in the last week a real surge in the momentum. We went through a tough time. We didn't lose our cool. And then along came Maryland and Michigan—did pretty well by us. [*Laughter*]

The nicest thing is the old congressional district that I represented, they gave me 85 percent of the vote. I must tell you about one precinct. It is down in a rural area, a good agricultural area called Overrizen. They have a lot of good Dutchmen there and they know how to vote. [*Laughter*] They have three churches and a couple of gas stations and a school. And when they added up all the votes last Tuesday—595 for Ford and 2 for Mr. Reagan.

I don't expect to do quite that well here in Santa Clara County, but what I do hope we can do is convince the people of San Jose, Santa Clara County, and the people of California that the programs we have implemented, which we can summarize very quickly—the restoration of public confidence in the White House, the turning around of our economy from the serious economic recession, with good policies, so that we are on the upswing where I think we can have, if we don't get sidetracked by the Congress, a solid and very prosperous economy in the months ahead.

Number three, because of our military capability, because of our diplomatic skill, we can maintain the peace that we have achieved and give us the opportunity to strengthen the moral fibers and protect the freedom that all of us love and cherish so much in this great country.

Thank you all very much.

NOTE: The President spoke at 12:40 p.m. in the Ridder Room at the Center for the Performing Arts.

As printed above, this item follows the text of the White House press release.

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Remarks at a Luncheon in Honor of the Dedication of the San Jose Foreign Trade Zone. May 25, 1976

Thank you very, very much, Halsey, Congressman Pete McCloskey, Congressman Al Bell, Congressman Mineta, Ev Younger, Mayor Hayes, Paul Mariani, Ron James, and, of course, my old and very dear friend, Dave Packard, distinguished guests, ladies and gentlemen:

I have always enjoyed the company of Americans who are working to bring more jobs and greater prosperity to our country, and that's why I am especially pleased and very happy to be with you here in San Jose today.

One of my greatest responsibilities as President has been the task of revitalizing our economy. In meeting that challenge, I place full confidence in the ability of our free enterprise system, and you have shown that that kind of faith is fully justified here in San Jose. On your own, with your own enterprise, your own initiative, you have established an international business park that is expected to create millions and millions of dollars in new revenue for this area and provide as many as 12,000 jobs in the forthcoming years.

The new Foreign Trade Zone within the park will also strengthen our participation in the international market. And I wish you the very, very best of luck with your international park, as well as your trade zone. I congratulate wholeheartedly the members of the Chamber of Commerce on your new office building, and thank you all for making my job a little bit easier.

Your economic future looks very bright in a city with all this talent and all this energy. I see optimism actually spreading all over our country.

It was not always so, as you will find if you refresh your memories. Just 21 months ago America's prosperity and economic strength were seriously threatened by a chilling combination of recession as well as inflation. Some of America's leading economists and politicians thought it best, for example, to impose wage and price controls to deal with the economic difficulties that we

were experiencing. Others insisted that we spend massive amounts of Federal dollars to stimulate the economy.

Despite the danger, of course, of feeding an always dangerous inflation, I decided the way to real recovery and enduring prosperity in America was not through government quick fixes. We have tried those in the past. We know they haven't worked and we knew they wouldn't work in 1975 or 1976.

I had faith that America would work its way out of its economic difficulties rather than trying to spend its way out of its difficulties. I proposed, and the Congress accepted, a major tax cut for individuals and tax incentives for business expansion and job production so that we could get the great American free enterprise system working at full speed.

We also began a comprehensive effort to restore the confidence of the American people in themselves, in their government, and in their own future. This effort was absolutely essential to restoring the economic confidence of the consumer—of course, a very key element in the progress we had to make.

These policies, as we look back, have been very, very successful. America today is in the midst of a strong and surging economic recovery, and we should be very proud of that progress.

The real gross national product rose during the first quarter—January, February, March of this year—at an annual rate of $8\frac{1}{2}$ percent—far, far above the most optimistic predictions. In dollars and cents, that means the value of America's output of goods and services rose at an annual rate of almost \$200 billion.

The amount of money people have to spend after taxes and other deductions are taken from their paychecks, it's what the economists call real, spendable income. This is increased by \$100 billion in the past 12 months.

Farm income is at an alltime high and so is agricultural production. Total retail sales are up more than 14 percent. Automobile sales are up 34 percent over a year ago. Food sales are up more than 7 percent. General merchandise is up 12 percent.

The prime rate of interest has been reduced from 12 percent when I became the President, to $6\frac{3}{4}$ percent today. As a matter of fact, it looks to me like everything that should be going up is going up and everything that should be going down is going down. Since the bottom of the recession about a year ago, we have gained 3,300,000 new jobs, more than 700,000 new jobs in the last month alone.

But the most important thing, more Americans—87,400,000 of them—are on the job today, which is an alltime record in the history of the United States.

This is progress, meaningful progress. But, most importantly, done the right way.

Consider where we started from 12 months ago when the unemployment rate was nearly 9 percent. That's a good comeback by any standard. After months and months of higher unemployment and mounting fear, America today is getting back to work and faith in our country's future has been restored. We're going in the right direction but this President will not be satisfied until every American who wants a job can find a job. That's my criteria.

We will not achieve full employment by letting the Federal Government plan on the one hand, or control the national economy on the other.

Just over a week ago, I proposed a very innovative recommendation to the Congress—a 4-year agenda for action on comprehensive regulatory reform in every major segment of our economy, and this would include, of course, OSHA, EPA—every agency, every department of the Federal Government would get a mandatory review on a 4-year basis.

I expect the Congress to respond because it's my feeling that the public in California and in all 49 other States are demanding that somehow we get the workings of the Federal Government analyzed, reviewed and restructured and made better. And the only way that I know is to get the legislation that I have proposed and I think the Congress, when they get the word from the public, will respond, help us out. This is the way to make our government work for us and work for our country.

May I say, also, the administration has undertaken some of the most fundamental reforms of government regulations in reporting requirements in the history. Small businesses in this country spend about \$18 billion every year just to comply with government reporting requirements. Most merchants in America are small businessmen or small businesswomen. It's time that they got back to working for their customers instead of working for the Federal Government. It's time the Government minded its own business for a while and let you run yours.

More government will not solve America's economic problems. The answer is less government control, less wasteful government spending, and lower taxes from middle-income Americans.

I want to cut Federal income taxes by an addition \$10 billion starting July 1, 1976, just a few months or a few weeks away. And in my proposal to make these reductions in personal income taxes, I believe that we must increase the personal exemption from \$750 to \$1,000 for every individual taxpayer.

But to help provide the kinds of jobs that are needed and necessary, I think

we have to enact accelerated depreciation allowances and other investment tax credit and to retain the \$50,000 corporate surtax exemption. I want the American people to keep more of the money that they work so hard to earn. I want them to spend it the way they want to spend it, at the shopping center, on their children's education, for whatever they need, instead of paying more and more for government programs that obviously we do not need.

As some of you know, I have vetoed some 49 bills sent to me by the Congress in the last 21 or 22 months. Responsible Members of the Congress sustained 42 of those vetoes, and those vetoes, as sustained by the Congress, have saved the American taxpayer \$13 billion. That's a pretty good record, but as a postscript let me say if the Congress keeps on sending me those budget-busting, big spending proposal, I'm prepared to use my veto again and again and again.

Now, if the Congress would act sensibly—and with all deference to my former colleagues—that is asking an awful lot—[*laughter*]*—*they would enact my tax cut proposals instead of thinking up new fantastic ways to spend your money. We could create such a tremendous demand for goods and services that many, many more Americans' jobs and lasting prosperity would be the inevitable result. We could also cut the rate of growth in Federal spending.

My budget for fiscal year 1977, which begins October 1 of this year, would cut the rate of growth of Federal spending by 50 percent, approximately \$28 billion, and set us on a course of a balanced budget by fiscal year 1979, plus another reduction or cut in Federal income taxes.

I think that's a good economic package for America. I need your help in controlling an irresponsible Congress so we can achieve that result. I've done battle with inflation for far too long to let it get out of control again. When I took office in August of 1974, the rate of inflation was 12 percent per annum or higher, the highest rate in more than 50 years.

In the last 21 months, we have cut the rate of inflation by 50 percent or better, and with a little more cooperation from the Congress, we can cut it even more. The best news we have gotten in the first 4 months of 1976 is that the rate of inflation on an annual basis is 3 percent or less, and if you take 12 percent, as it was 21 months ago, and what the rate of inflation was for the first quarter of this year, we have made a 75-percent reduction in the rate of inflation. I think that's a darned good record.

The real progress against inflation is one of the most encouraging of all of the recovery statistics because it means the strong economic recovery we are experiencing across this country will not go bust next year. But the most important

economic statistic is the index of consumer confidence. It is double in 1976 what it was in 1975.

In economic terms that means the American people are spending more money, moving more goods, and even willing to borrow for major purchases for the future. In broader terms, it means the American people are looking to the future with faith instead of with fear.

I deeply appreciate this opportunity to talk with you here this afternoon, to speak to you about some of the policies that in good, honest, deep conviction I have returned peace and prosperity and trust to America.

Today, America is at peace. There are no American boys fighting anywhere on the face of the globe, and I intend to keep it that way. I will maintain the peace because we have the military capability to do so and the diplomatic skill to accomplish it. I will secure the peace through strength and perseverance and leave the legacy of peace for our children and their children.

I will continue my policies of cutting your taxes, expanding the private economy, reducing the bureaucracy and useless regulation, and restraining Federal spending. My policies have brought us from the depths of a recession to a sustained recovery and will ensure that runaway inflation will never again rob us or our loved ones of the rewards of honest work and lifetime savings.

Finally, I want to finish my most important job—the restoration of trust in the Presidency itself. As your President, I will promise no more than I can deliver and I will deliver everything that I promise.

I do need your support to ensure peace and prosperity and trust for the future, the future that we owe to our children and to their children. Americans have always wanted life to be better for our children than it was for us, because life has been better than it was for our parents.

What do I see ahead for this great country in which we live and which we love? I see a strong and confident America, secure in a strength that cannot alone be counted in megatons, a nation rejoicing in riches that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, and where the government serves and the people rule.

Thank you very much.

NOTE: The President spoke at 1:03 p.m. at McCabe Hall in San Jose. In his opening remarks, he referred to Halsey Burke, master of ceremonies and chairman of the Santa Clara County President Ford Committee, Evelle J. Younger, California State attorney general, Mayor Janet Gray Hayes of San Jose, Paul A. Mariana, Jr., president and chairman of the board

of International Business Parks, Inc., Ronald R. James, president of the San Jose Chamber of Commerce, and David Packard, Deputy Secretary of Defense 1969–71 and chairman of the board of Hewlett-Packard Electronics Co., of Palo Alto, Calif.

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Remarks in Walnut Creek, California. May 25, 1976

Thank you very, very kindly State Senator John Nejedly, Mayor Schroder, Mayor Wesson, Mayor Harman, Mayor LaPointe, distinguished guests, ladies and gentlemen:

My staff is going to give me the devil for taking my coat off, but when it's so nice in sunny California, I just can't resist it. [*Laughter*]

This campaign started in the snowy State and wonderful State of New Hampshire. We got off to a great start there in February, and we're going to end it with a great day June 8 in the State of California.

It is so great to be here in Walnut Creek, surrounded by some of the most beautiful land that I have ever had the chance to see and, I must say in addition, some of the most beautiful people I have ever seen. Your open space program was a great cooperative effort by the people of Walnut Creek. It showed the vitality, the initiative that we see right here in your superb business district. You have shown the dedication to civic achievement, problemsolving, and a can-do spirit, and I salute you for it. Congratulations.

My message to you today can be summed up in a very few words. As much as I believe in a strong and prosperous automobile industry, I come here to say there's absolutely no reason whatsoever for you to trade in a reliable Ford for a flashier model. [*Laughter*]

Let me tell you why I'm asking you, my fellow Americans, for your support: because I have done a good job under the most difficult and the most trying circumstances, and I want your vote on June 8. I want your help because we have maintained the peace, we have moved America on the road to prosperity and restored confidence and trust in the Presidency itself.

I want a mandate from California so that we can say to the American people that the decision has been made, and we can move arm-in-arm toward victory in November of 1976.

Peace, prosperity, and trust are my record of performance since I had the honor of becoming your President. Consider for a moment where we were in the first months of my Presidency. Inflation had soared to an annual rate of over 12 percent. Far too many Americans were being laid off and could not find new jobs.

Just about a year ago, we hit the bottom of our worst recession in 40 years. Many were urging that the President push the panic button. In Congress, many

were calling for huge emergency Federal subsidies for more and bigger Government programs and higher deficit Government spending.

We didn't panic; we kept our cool. We never lost sight of a belief that I have had all of my political life: A government big enough to give us everything we want is a government big enough to take from us everything we have.

We resisted big Government spending programs that would have inevitably caused larger deficits and even more destructive inflation. We did not go along with the discredited techniques of old politics: tax and tax, spend and spend, elect and elect. Instead, we pursued a calm, constructive, conservative point of view to insure America's economic health not just for an election year, but for the long pull.

I had faith in you, 215 million Americans from the East to the West, from the North to the South. I had faith that the American system of private enterprise would once again gain its strength that has made us the envy of the world.

Today, we meet not in the gloom of a depression or recession, but in the full surge of an economic recovery. We have added almost 3,300,000 more jobs since the bottom of the recession 12 months ago, and 700,000 more jobs in the last month. But it will not satisfy me until every American who wants a job can find a job.

Inflation has been cut by more than half, and we will keep the pressure on so that it won't threaten our economic stability in the future.

I vetoed 49 bills in the last 21-plus months. Forty-two of those vetoes have been sustained by the responsible Members of the Congress, saving the American taxpayer—that's you—\$13 billion. That's a good record.

Now, let me add a little postscript. If that Congress keeps on sending down some of these budget-busting, inflationary proposals in the future, I will use that veto again and again and again for the American benefit of all of you.

You know, it's about time that you get an opportunity to spend your money the way you want to spend it, instead of letting the Congress spend it for you. I am deeply determined that your tax dollars work as hard as you as each and every one of you have worked for them. I want the Government to spend less and to tax less.

Last year, we reduced Federal income taxes. This year, I propose that beginning July 1 of this year that we have another \$10 billion tax reduction—75 percent of it to go to the individual taxpayer so that you can spend your money the way you want it, and 25 percent to go to industry so they can expand, so they can modernize and provide more jobs for people all over this country.

As far as individual income tax reductions are concerned, I want the personal

income tax exemption increased from \$750 per person to \$1,000 per person. Middle-income taxpayers in this country deserve a fair shake, and they haven't gotten it in the last 10 years.

Let me make it absolutely certain and positive, I will fight this Congress every step of the way to get the kind of tax relief that the American people deserve.

But as we strengthen America's economic security, we must, of course, increase America's national security. Today, America is at peace. There are no American boys fighting anywhere on the face of the Earth, and I intend to keep it that way. We have the best trained, the best equipped, the best led fighting force in the world today, and they are all volunteers. The Ford administration ended the draft, and we have an all-volunteer military force that can handle any problem, any mission. It's unsurpassed in its capabilities to defend our national interest, to deter aggression, and to keep the peace, and we should be proud of their job.

But frankly, we have a problem. In the last 10 years, from 1964 to 1974, the Congress cut \$50 billion from budgets sent to Capitol Hill by various Presidents. Last year, the Congress cut \$7 billion out of my defense appropriation bill. We aren't going to stand for it, because the United States needs the kind of a program that protects our way of life, our precious freedom, and the future of our children and our grandchildren. And I promise you I will fight for the kind of a program that we need, that we can have, that is essential for freedom for all of us in the future as well as in the present.

With a mandate from all of you here in Walnut Creek and the surrounding communities, let me say I will finish the most important job—the greatest and most important, as I see it—the restoration of confidence and trust in the White House itself. As your President, I promise no more than I can deliver, and I promise I will deliver everything that I promise.

I need your support to ensure peace, returning prosperity and trust, the good, secure, fulfilling future that we owe our children. Americans historically have always wanted life to be better for our children than it was for us, because life for us has been better than it was for our parents.

What do I see ahead for this great country as we enter the third century of our independence? I see a strong, confident America, secure in a strength that cannot be counted in megatons, a nation rejoicing in its blessings that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

We have all shared the blessings of freedom. Now, let's roll up our sleeves and join in the work of preserving the greatest country in the history of mankind.

Thank you very, very much.

NOTE: The President spoke at 3:25 p.m. at the Walnut Creek Town Square. In his opening remarks, he referred to Mayors Robert I. Schroder of Walnut Creek, George W. Wesson of Lafayette, Robert I. Harman of Pleasant Hill, and Richard T. LaPointe of Concord, Calif.

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Remarks in Walnut Creek, California. May 25, 1976

Thank you very much John Nejedly, Mayor Schroder, Marguerite Weisheimer, Les Saywell, fellow Americans:

It's wonderful to be here in Rossmoor. It's just superb weather, obviously wonderful people, that would be enough to make a person smile.

But just before coming out here, I got some other good news. We got some reports from the great States of Kentucky and Tennessee. They're having a primary election today, as you may know. One of six—CBS has just projected that President Ford is going to win in Kentucky by about 7 points, and all the indications are that we will do just about as well in Tennessee. So, if I'm smiling, I apologize, but I just can't help but think those are darn good victories.

I understand that I'm the first President of the United States ever to have the honor and privilege of speaking here in Rossmoor. And now that I have seen so much of the facilities and heard so much about what a great place this is from Dean Lesh,¹ gee, I think I will go back and tell First Mama that this isn't a bad place to come. [*Laughter*]

Well, my message today can be summed up very simply. As much as I believe in a strong and prosperous American automobile industry, let me say that this year is absolutely not the year for you to turn in or trade in a reliable Ford for a flashier model. [*Laughter*]

My staff gave me a speech that they thought might be appropriate to the circumstances. And after hearing so much about Rossmoor, I have decided to sort of put it in my pocket and proceed to talk about some of the things that I think all of you here might be interested in, and do it right from the cuff because I can do it with conviction; I can do it with deep feeling.

All of you, I am sure, if you will refresh your memory, can go back to that month of August in 1974 when this country faced a serious transition, when

¹ Publisher of the Contra Costa Times.

we were faced with three very important problems as a country, 215 million of us.

The country had gone through a traumatic period—there was a tremendous loss of confidence and trust in the highest places in our country. We were suffering some of the most serious economic problems that this country had faced in a long, long time. We had gone through an oil embargo and tremendous increases in the price of oil forced upon us by countries beyond our shores.

Inflation was rampant at the rate of 12 percent or higher; we were on the brink of the worst economic conditions in the last 40 years. And as I look around this audience, many of you can remember, as I do, the 1930's, and those weren't very pleasant times.

So, we had a real difficult situation to handle. We were confronted with a deterioration—unemployment was going up and employment was plummeting. At the same time during that month of August and the few weeks that followed, our allies abroad, whether they were in the Atlantic or across the seas in the Pacific, were uncertain as to the resolution and as to the will, whether our form of government facing this kind of a crisis could recover and could meet the challenge that was needed and necessary if we were to maintain our leadership throughout the world.

At the same time, our adversaries, whether in the East or in the West, were in the position where they didn't know quite how to react, whether to take an initiative that would be against our interests or to wait and see.

So, when I took that oath of office it wasn't a situation that was most pleasant. It presented great difficulties and great obstacles. But I decided at that time that the decisions I would make in the months to follow would be decisions that would not be related to politics but would be decisions predicated on what in my heart and conscience I thought was in the best interest of this country.

The net result is in the last 21 or 22 months we have made those decisions. They haven't always been popular among some people, but when we add up all of those decisions whether it was in promoting certain taxation proposals or in vetoing a good many of the measures that were sent down to the Oval Office by the Congress, in each and every case I could say that I thought I did what was right for America.

Let me just take one or two examples to illustrate what I am saying. As the economic problems began to multiply in early 1975 and all the prophets of gloom were saying we were going to have unemployment of over 10 percent, that we had to rush in with big spending proposals to put everybody on the Federal pay-

roll, it was my feeling that a better approach would be to give a shot in the arm to our private enterprise system, to give tax relief to business so it could expand and could modernize, increase production.

I thought it was a far wiser policy to give tax relief to individuals rather than to add to the deficit by more Federal spending, and the net result was in 1975 we had a tax decrease, both for business as well as for individuals. And the net result was that the private enterprise system, that great, great segment of our society, responded.

Where are we today? Well, inflation, instead of being at 12 percent or higher, as it was in August of 1974, it is now, for the first 4 months of 1976, at 3 percent or less, and the net result is that we have cut the rate of inflation by 75 percent, and I am very proud of that achievement.

At the same time, we have been trying to stimulate the economy so that in the private sector, where five out of the six jobs in America exist anyhow, it could absorb those losses that we had in early 1975.

The confidence of the American people returned because we didn't panic, we didn't capitulate, and the consequence is that in the last 12 months, since we were at the bottom of the depth of that recession, we have added 3,300,000 more jobs—700,000 more jobs in the last month. And as of last month, 87,400,000 Americans are on the job—an alltime record of employment in this great country, and we should be proud of it.

As I said, it wasn't easy to deal with the Congress. Fortunately, I know a little bit about how they operate it and how they should operate and how they shouldn't operate. So, when they started sending all these big spending bills down to the White House, I warned them, I said don't do it. We're going to veto them. So, they sent them down and we vetoed 49 of those bills; 42 of them have been sustained by the responsible Members of the Congress. And the net result is the taxpayers of this country have saved \$13 billion, and we ought to be proud of that, too.

I am glad to see that one of my old colleagues in the House of Representatives, Al Bell, is here. He's a good friend, and he served well in his responsibilities in the Congress. Al, it's nice to see you here.

But let me add that if they send down—and I have told these old friends of mine, Democrats and Republicans, the only way you can prevail with them is to talk straight and to let them know if they do this, this is going to happen—I said, fellows, you send down any more of those big budget-busting spending bills, I will veto them again and again and again. I think they have learned their lesson.

But let's talk about taxes for a minute. I recommended in January of this year that if we would reduce the rate of growth of Federal spending by 50 percent—which amounts in dollars to \$28 billion—we could have another tax decrease for both industry on the one hand and individuals on the other as of July 1. We are going to fight for that kind of a tax decrease.

What does it do? Lets talk about individuals first. It would increase the personal exemptions from \$750 per person to \$1,000 per person, so the middle income people, who have been shortchanged, will get a fair and decent break in our tax system.

But then there's another tax proposal that I think might be of interest to you that was included in this package. One, our estate tax laws have not been revised since the mid-1930's. At that time, the exemption was set in estate tax laws at \$60,000, and the husband and wife transfers were treated just like a transfer between an individual and a stranger. So, I have recommended to the Congress that they increase the exemption under our estate tax laws from \$60,000 to \$150,000. But something that I think is even more equitable, under the proposal that I have recommended, the transfers between husband and wife would have no tax as far as the Federal Government is concerned.

We have got to provide equity and fairness in our Federal tax system, and I can assure you that this Congress knows that, I mean business and we will do the very best we can in the months ahead during this session to achieve a tax system that is right and proper. But if we are unsuccessful in 1976, I pledge to you that in the next 4 years we will get the kind of a tax bill that we need and the country needs and our people need.

Let me talk just a minute or two about peace. We achieved it, we have it, and we have the military capability to maintain it, and we have the diplomatic skill in order to keep our friends, our friends and our adversaries at arm's length.

I could describe to you what I have recommended to the Congress for military appropriations, but let me just summarize. Last year, in January, I recommended the largest military budget in the history of the United States in order to reverse the trend, the trend that had resulted in 10 years of Congress, in effect, gutting the Army, the Navy, Air Force, and Marines.

Do you realize that in that decade the Congress cut military appropriations by \$50 billion? I wasn't going to stand for it, and I said last year to the Congress, give me a budget so we can have the capability with the Army, the Navy, the Marines, and the Air Force to defend America, to deter aggression, and to protect our national security.

I think we are making the headway this year, because they recognize that

what I have proposed is right—to maintain the unsurpassed military capability of the United States.

But now let me conclude with just one other comment. I said in August of 1974 we were going through a traumatic experience; confidence had been lost. The Ford administration has been open, it's been candid, it's been forthright. I will never promise more than I can deliver, and I will deliver everything that I promise.

Yes, what do I see as we go down the years ahead for the next 4 years, but more importantly, what do I see in America in the next century? I think America ought to be a country of individualism. We have the greatest form of government in the history of mankind. We are the most productive nation in the history of the world.

But I want your help and assistance to sustain a program that has brought us from the depths of the recession to sustained recovery that will ensure that runaway inflation never robs us again—our loved ones—and will reward those who work hard and have saved during their lifetime.

Finally, I want to finish my most important job, as I said, the restoration of trust in the Presidency of the United States. I will promise to maintain that respect and decency that is so important for our Nation. I need your support to ensure peace, prosperity, and trust for the future—the good, secure, satisfying future that we owe to our children as well as our grandchildren. Americans have always wanted a better life for our children than what it was for ourselves, because life for us had been better than it was for our parents.

What do I see ahead for this great country? A strong, a confident America, secure in a strength that cannot alone be counted in megatons, a nation rejoicing in its blessings that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very, very kindly.

NOTE: The President spoke at 4:20 p.m. at Ross-moor, an adult community. In his opening remarks, he referred to California State Senator John Nejedly, Mayor Robert Schroder of Walnut Creek, Marguerite

Weisheimer, president of the board of directors, Golden Rain Foundation, and Les Saywell, Ross-moor GOP chairman.

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Remarks at a Rossmoor President Ford Committee Reception in Walnut Creek, California. May 25, 1976

JUST AS we indicated out there, we got some pretty good news from Tennessee and Kentucky. I think we are ahead in Oregon and, of course, what was most satisfying—and some of the people from home would understand it—was the great shot in the arm we got in Michigan.

The thing that pleased me the most about Michigan was not only what the State did but as Winter knows, I had the privilege and honor of serving the congressional district for 25-plus years, and 16 of those years I served two counties. Those two counties went 85 percent.

There is one little voting community down in Ottawa County that the Winters know about called Overrizen. It is a crossroads, really, in a very rich agricultural area. They have got three great churches, probably three gas stations, and a school. They had 595 votes for me and 2 for my opponent. [*Laughter*]

But I am really getting very optimistic about the situation in California. We have had a wonderful trip out here. The crowds have been very good. The enthusiasm has really been infectious and contagious and inspiring and we are going to make a real fight of it. All of you who can help, as you have, I will be most grateful. And Betty and I will never let you down in the next 4 years.

NOTE: The President spoke at 4:50 p.m. in the Peacock Room. In his remarks, he referred to Dr. and Mrs. Garrett E. Winter, personal friends.

As printed above, this item follows the text of the White House press release.

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Remarks at a President Ford Committee Reception in Walnut Creek, California. May 25, 1976

THANK YOU very, very much, Dan. These two people have done a great job, and I can't thank both of them enough, and I am very, very appreciative. But there's no way I can express my appreciation adequately for what all you have done except to say that Betty and I, or First Mama and I, are very, very grateful. [*Laughter*]

But we have some very good news. I just found out that CBS is projecting that I win in Kentucky by about 53 to 46, as I understand it. And the first returns in from Tennessee show us—what is it, Dick?—a six-point lead, with the first returns from Tennessee.

Let me just say we've got the momentum going. We got it back on the track in Michigan and Maryland, and we apparently have it back on track with several of the States that have reported already. We want that momentum going from now until Kansas City, and California is important.

One thing I do want to dispel and end it right here and now—some rumors were being spread. I can't tell you by whom, but they are totally unfounded. Some people were saying or writing that Jerry Ford was not going to make a big effort in California. That's not true, and after being here at Walnut Creek and Contra Costa County and all the other places I have been, I am getting very encouraged that an underdog can win in California.

That reception in Walnut Creek was one of the most inspirational and one of the nicest that I have ever had an opportunity to be a part of. And I know all of you helped, and I think you can express to your friends and neighbors in Walnut Creek and the county how deeply grateful I am. I wish you would, because I leave this county with warm, warm feelings and a feeling that, you know, sometime maybe at the end of another 4 years we might come back and see you on a more permanent basis.

Again, I want to thank Dan and Claudia and all of you. If I could just mingle and shake hands—I have made enough speeches today, so I would just like to say hello and thank all of you personally as well as meet you.

Thank you very, very much.

NOTE: The President spoke at 5:23 p.m. at the Elks Club. In his remarks, he referred to Daniel

Van Voorhis and Claudia Nemir, cochairmen of the Contra Costa County President Ford Committee.

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Exchange With Reporters on Departure From San Jose, California. May 26, 1976

GOOD MORNING, everybody. How are you this morning?

This is the end of a very exciting and, I think, very encouraging trip to California, plus the very encouraging news that we got last night with the six primaries where we won 50 percent of them. That's not a bad batting average, certainly better than we anticipated and, I think, a little disappointing to our opposition.

While I've been in California, I have had the opportunity to make a few speeches and, at the same time, do a little listening. What have I heard? First, I think the people of California want some reductions in Federal spending and

reductions in Federal taxation. I reminded them that I have proposed an extra \$10 billion tax reduction, beginning as of July 1, including an increase in the personal exemption from \$750 to \$1,000.

I told them the big problem was the Congress, and I hoped that they would put pressure on the Congress, along with myself, so we could get some better equity in the tax structure, particularly for middle-income people.

I also said that the Congress was a problem on Federal spending. They want to spend \$17 billion more than I do, and I'm going to fight with the Congress and do my very best to try to get the Congress to be more realistic in a reduction in the rate of growth of Federal spending.

But there was one other issue that was of deep concern to public officials, and I think equally so to the citizens of cities like San Jose and elsewhere: Unless the Congress passes my proposed extension of general revenue sharing, there will be very serious consequences in San Jose or in San Diego or all of the other communities in California.

I have recommended a 5¾-year extension of general revenue sharing, which would help significantly 39,000 communities in 50 States throughout the country. Mayor Pete Wilson of San Diego told me that unless the Congress acts favorably on my proposal to extend general revenue sharing, that it was his estimate that in communities throughout California there would have to be cut a 54-cent increase for every \$100 of assessed valuation. Now, I'm for general revenue sharing, and if my general revenue sharing program goes through, we can avoid that kind of a local tax increase in San Jose and San Diego.

Now, some Presidential hopefuls are against general revenue sharing. I think my opponent in the Republican primary is one. So, I just hope that the voters, public officials in the State of California will work with me in getting an extension of general revenue sharing so we can avoid the kind of tax increases at the local level that would be inevitable.

Now, I will be glad to answer a question or two.

REPORTER. Mr. President, do you consider the wins in Tennessee and Kentucky upset victories?

THE PRESIDENT. We thought we had a fighting chance in both Kentucky and Tennessee. We obviously are very pleased with the win in both instances. They were good news from our side and may have been a little disappointing to our opposition.

Q. Mr. President, you told us yesterday you expected to split about even on delegates, but you lost more than 20.

THE PRESIDENT. We didn't do quite as well in the delegate count, but when you

win Oregon, Kentucky, and Tennessee, those are three very important States. They are different States—two border States and one Northwestern State. That certainly indicates a clear, national potentiality that I have for winning in November. And I think that will be very encouraging to voters all over the country.

Q. Mr. President, can you win a first ballot nomination without winning California?

THE PRESIDENT. We think that's a possibility.

Q. Mr. President, do you think that Reagan's comments on the TVA had anything to do with his lesser showing, less than expected, in Kentucky and Tennessee?

THE PRESIDENT. I am not familiar with what my opponent said. I have got some awfully important things to do, and I like to talk affirmatively, so I—

Q. The TVA is pretty important, and he could dismantle it.

THE PRESIDENT. Our best judgment is that his comments that he would at least study the sale of the TVA might easily have had an impact in the State of Kentucky and the State of Tennessee. As a matter of fact, it would have, I believe, an overall impact on all of the TVA States.

Q. Mr. President, do you encourage the move here to abandon the winner-take-all by legislative action?

THE PRESIDENT. I just read about it for the first time this morning, and I think that's a matter that the State of California and its elected representatives ought to decide. I didn't know about it until this morning. I read it in the paper.

Q. Mr. President, after the June 8 primaries, will you continue to travel in some of the convention States?

THE PRESIDENT. Ann [Ann Compton, ABC News], I haven't thought about it. We will wait and see what happens on June 8.

Q. Sir, after your trip here to California, has your assessment of how you will do in the California primary changed at all?

THE PRESIDENT. Yes, it has. I was thrilled with the good turnouts. I was obviously very pleased with the enthusiasm. I think we have made some headway. We're still an underdog, but we're going to be in this race in California for keeps, because if we can continue the kind of momentum we have, we think we have a good fighting chance to prevail here.

Helen [Helen Thomas, United Press International], have you forgotten your question?

Q. No, I didn't.

THE PRESIDENT. Go ahead.

Q. I didn't think you were going to call on me.

THE PRESIDENT. The last; the best.

Q. Do you think winning the border States will have any impact on California?

THE PRESIDENT. Well, certainly the winning of the two border States contradicts what some of my opponent's friends have said—that I can't win below the Mason-Dixon line. Of course, winning in Kentucky and Tennessee is a good indication that we have a lot of support in those kind of States, and I'm convinced that I'm the best national candidate and the one Republican who can win nationally against any Democrat.

I'm not a regional candidate; I'm a national candidate. And I know I can win. I have some reservations about any other Republican candidate being able to win in November.

Q. Is Mr. Reagan a regional candidate in your mind?

THE PRESIDENT. He has had a Sun Belt strategy, as I understand it. I will let his record speak for itself.

Thank you all very, very much.

REPORTER. Thank you.

NOTE: The President spoke at 8:20 a.m. at San Jose Airport.

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Remarks in Columbus at the Annual Meeting of the Ohio Governor's Conference on Aging. May 26, 1976

THANK YOU very, very much, Jim, distinguished members of the Ohio delegation—and let me personally introduce each and every one of them to you because they're old and very dear friends of mine. They're strong supporters of what all of you are interested in. Would you please stand up and remain standing while I introduce the others—Sam Devine, Bill Harsha, Chuck Mosher, Bud Brown, Chalmers Wylie, Tennyson Guyer, and Tom Kindness.

They're great people; they've been invaluable in their aid and assistance to me, and I thank each and every one of them. Of course, we have on the platform here a man who spoke from the heart to you just a few moments ago and who has been a tremendous asset to me as a member of my Cabinet, Earl Butz. Earl, come on, get up again.

Then it's great to be in the city of Columbus. And Tom Moody, it's nice to

see you—your great, great mayor here in the city of Columbus. May I also thank the Walnut Ridge Band—great music. You play that Victors very well.

In 1952 Winston Churchill, then a mere 77 years old, had been called into the service of his country for a second term as Prime Minister of Great Britain. Smiling somewhat impishly, he told the British Commons, and I quote, “Everyone has his day, and some days last longer than others.”

Today, I welcome this great opportunity to be a part of your annual Governor’s Conference, and I congratulate Jim Rhodes for undertaking it back in 1968, a conference concerned with the many, many Americans whose days have lasted longer than others.

The careers of Winston Churchill, as well as others who rose to prominence in later years, reminds all of us—if we need to be reminded—that advancing years need not mean a retreat from active, eventful, enjoyable life, nor should advancing years be the certain barrier of poor health, meager income, or social isolation.

The ancient philosophers taught us that the measure of a civilization’s advancement and greatness can be found in its proper treatment of the elderly.

Let me say that here in Ohio you have demonstrated your concern in very solid and very practical ways. This conference is but one example of your ongoing commitment. And I congratulate Jim and all those associated with him for not only initiating it in 1968 but continuing it in his term at the present time.

You all know, and so do those of us from outside of Ohio, that this State has pioneered in providing senior citizens’ centers that offer a very broad range of services to the elderly. The two golden age villages constructed by your State provide a model alternative to institutional care at a very reasonable cost.

Now, let me thank and commend Jim Rhodes for my participation in the Golden Buckeye program, which was begun some 3 months ago. I’m told that in the very short span of 90 days, 178,000 Ohioans have signed up, and now it is 178,001. [*Laughter*]

Obviously, I’m very proud of the fact that the Federal Government was able to make a contribution to the Golden Buckeye program, making it a reality by providing to the Governor’s office for use as he saw fit—and he sure picked a good program—through the comprehensive education and training legislation. And I have been so impressed with the program as a whole.

When I get back to Washington, we’re going to take a real good look to see if we can’t, on a national scale, implement something comparable to this. We have to, of course, see what the law says, what the money is, but the concept is good

and we're going to do our best to expand it beyond the borders of the State of Ohio.

For more than 40 years, through the vehicle of social security and other programs, the Federal Government has made a firm commitment of support for older citizens of our society. I pledge to you that I will continue without hesitation, reservation, to uphold that commitment.

In recent years there has been some very dramatic progress to meet the needs of America's older generation. I want to do better and, with your help and with the help of a responsible Congress, I will, and we will. And this is something that all of us owe to this great generation of Americans, those at the present and those that are to follow. And as President of the United States, I will do everything possible in my power to help our Nation demonstrate its deep, deep concern for the dignity, for the well-being of our older generations.

The social security program, the largest of its kind in the world, will pay almost \$83 billion to more than 32 million Americans in this next fiscal year. This is more—and I emphasize more—than a \$10 billion increase over the current year. And, of course, I suspect many of you know—but I want to reemphasize it to show my commitment—in my budget for the next fiscal year, which begins October 1, 1976, I am recommending that the full cost-of-living increase in social security benefits be paid in that year.

As you also know, however, there are problems facing our social security system. Next year, unless my reforms are adopted, the Social Security Trust Fund will run a deficit of nearly \$3½ billion. In the next 12 months after that, if we don't follow a responsible course as I have proposed, the deficit will be \$4 billion in a 12-month period.

But let me assure you very emphatically, my administration intends to preserve the integrity and the solvency of the social security system for your benefit and that of all working Americans now as well as in the future. As long as I am President, we're going to keep our social security protection and every other retirement program strong, sound, and certain.

In addition to the social security program, we are continuing our commitment to benefit programs for more than 3 million railroad, military, and Federal Government employees.

After many, many years of sacrifice and hard work, these Americans have contributed much to our great Nation. They have earned our respect as well as our admiration. They have earned more than the prospect of poverty in their retirement years.

In my budget, the Supplemental Security Income program, or SSI, will pay

almost \$6 billion in Federal benefits to more than 5 million disabled and disadvantaged older Americans in 1977—140,000 of them right here in the great State of Ohio.

In the field of health care, the Federal Medicare program, in 1976, will provide more than \$17 billion for the health care of 24 million older and disabled Americans, 1,200,000 again right here in the great State of Ohio.

Now, there are some flaws in this program which actually help raise the cost of your medical care and which fail, unfortunately, to provide or to protect you adequately against the economic burdens of a prolonged illness. I have proposed major improvements in the Medicare program to make it serve you better. One of the most important improvements would provide for the payment of all but a very small fraction of the catastrophic costs of complex or extended care as well as treatment.

I don't have to tell you that medical treatment is very, very expensive today. If you have to stay in a hospital or a nursing home or under doctor's care for a very long, long time, it puts an incredible strain on your lifetime savings or on your peace of mind, and that strain is felt by your loved ones just as well as yourself. All of us know cases—a friend, a neighbor, a part of your family—in which someone has been stricken with an illness that lingers on and on and on. We know of the pain; we know of the heartache associated with a prolonged and expensive illness. We know that being sick and bedridden for an extended period of time is bad enough without having a person's income and life savings dwindling as the medical bills keep piling up.

This must not continue, and I, as President, will not permit it to continue. And, therefore, I recommended what I think is a good program to solve the problem. There is no reason that older Americans should have to go broke just to get well or stay well in the United States of America. Under my proposal the individual's contribution to Medicare would go up very slightly, but consider what the increase would provide to you and to the other 24 million who would be covered. Nobody eligible for Medicare would have to pay more than \$500 per year for hospital or nursing home care or more than \$250 a year for a physician's services. Medicare would pay the rest, whether it is \$1,000, \$10,000, or \$50,000.

That's good protection, and I think it's a good program, and I hope you will support it. This proposal provides the full protection so vitally needed by older Americans and, if the Congress passes it, the ruinous economic burden of catastrophic illness is one thing America's older citizens will never have to worry about again.

Another of my programs would consolidate 16 Federal health programs, in-

cluding Medicare [Medicaid], into a single \$10 billion bloc grant program to the States. If we can consolidate these programs, we can make them far more humane and far more effective.

We can improve the services that they provide to you and millions like you, and we can get those services to more people who really need them. Programs of this kind, despite some abuses, do a tremendous amount of good. They provide food services and health care for many of our older citizens. For some of our elderly neighbors, they provide the means for life itself.

I know it is all too easy to say that the Federal Government is too big, that this program and that program ought to be cut out of the Federal budget, tossed back to the States to cope with it if their taxpayers will permit it.

Jim Rhodes knows and I think most of you know it is not that simple. I know it, and anyone who has thought it out knows it very, very well. The programs—if I can put it this way—the problems and the challenges discussed at this conference will center on the needs of Ohio's older citizens. They are often very, very special needs.

But the elderly of our Nation are also vitally affected by the problems and concerns that face all of the 215 million Americans. Perhaps the greatest of these are the problems of inflation. During 1974, August 9 to be precise, when I became President, inflation was ranging at an annual rate of 12 percent or higher, eating away at everybody's buying power, but absolutely devouring the livelihood of people on fixed incomes.

Americans living on fixed incomes could see their purchasing power eroding with each visit to the supermarket. I knew that something had to be done to bring the situation under control as quickly and as effectively as possible. I knew that deficit spending by the Federal Government was a major contributor to inflation, that slowing the growth of Federal spending was essential to solve the problem. In short, I believe our Government should spend less and our Government should tax less.

I am proud to say to each and every one of you, I'm proud of the sound and steady policies of my administration that have succeeded. In the last 4 months—from January through the month of April—the rate of inflation on an annual basis is less than 3 percent, and that's a 75-percent reduction from what it was when I became President.

It is a victory for all Americans because inflation is no respecter of age. The old as well as the young suffer. What I want—and I think all of us want, young or old, black or white, rich or poor—is to live in dignity, to live in security, and to live in peace.

If we continue making the progress America has made in the last 12 months, we will see that goal achieved. If I had to sum up the record of my administration in just a very few words, it would be peace, prosperity, and trust.

Today America is at peace. There are no American boys fighting anywhere on the face of the Earth, and I intend to keep it that way.

I will continue my policies of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation, and restraining Federal spending. My policies have brought us from the depths of a recession to a sustained recovery and will ensure that runaway inflation never again robs us or our loved ones of the rewards of honest work and lifetime savings.

Finally, I want to finish the most important job—the restoration of trust in the Presidency itself. As your President I will promise no more than I can deliver, and I will deliver everything that I promise.

I need your support to ensure peace, prosperity, and trust for the future—the good, secure, fulfilling future that we owe to our children and to our grandchildren. Americans have always wanted life to be better for our children than what it was for us, because life for us has been better than it was for our parents.

Now, what do I see for this great country of ours in the future? I see a strong and confident America, secure in a strength that cannot alone be counted in megatons, a nation rejoicing in riches or blessings that cannot be eroded by inflation or by taxation.

I see an America where life is valued for its quality as well as for its comfort, where the individual is inviolate in his constitutional rights, where the government serves and the people rule.

Thank you very, very much.

NOTE: The President spoke at 4:24 p.m. at the State Fairgrounds. In his remarks, he referred to

Governor James A. Rhodes of Ohio and Secretary of Agriculture Earl L. Butz.

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**Remarks at the State Capitol Building in Columbus, Ohio.
May 26, 1976**

Thank you very, very much, Jim Rhodes, my friends in the Congress, Barbara Nicklaus, Woody Hayes, all of you:

It's great to be in Columbus, and let me tell you why I'm here.

In the last 21 months I have worked at trying to restore the economy, trying

to achieve and maintain the peace and to restore confidence and trust in the White House itself. In 21 months I have done a good job. I want your help on June 8.

Jim Rhodes has had a great program to provide jobs in the State of Ohio. We want to help him. And let me tell you what we are doing to help that job program.

I recently signed a highway bill—Bill Harsha¹ from your State was one of the architects of it—that's \$17,500 million over a 2-year period, that will provide jobs in the State of Ohio, as it will in all other 49 States.

But let's talk about where we were a year ago. We were in the depths of a recession, the worst in 40 years. But what we did was not lose our cool. We decided that we had to be affirmative and get jobs in the private sector, not on the public payroll. And the net result is that in the last 12 months, we have increased the number of employees, people on jobs, by 3,300,000—last month, an increase of 710,000. And let me tell you the figures for the last month showed that 87,400,000 Americans are working today, an alltime high. And we're going to do better and better and better.

I'm not going to go around quoting the statistics as to what I want the unemployment figure to be. Here's the only way I judge it: I want an economy in this country so that everybody who wants a job can get a job. That's the criteria.

Now, let's talk about inflation. When I became President 21 months ago, the rate of inflation was 12 percent or higher. In the last 21 months we have reduced the rate of inflation by 75 percent. For the first 4 months of this year, 1976, the rate of inflation on an annual basis is 3 percent or less. Any time you can cut inflation by 75 percent, we must be doing something right, and I think we have.

Now, let's talk about our national security. In my administration we achieved the peace, we have the peace, and we are going to keep it there. And let me point out just what the facts are: There's not a single American boy fighting or dying overseas under the Ford administration, and we're going to keep it there.

One other thing: I believe your memories are sufficiently fresh to think about the problems we had back in the summer of 1974. It was tragic. And since that time, because I have been open, candid, forthright, I have never promised more than I can deliver, and I have delivered everything I promised.

But we have been forthright, frank, and honest, and this is the only way I

¹ U.S. Representative from Ohio.

know to play the ballgame. And we're going to continue that for the next 4 years with your help, and I appreciate it very, very much.

Thank you.

NOTE: The President spoke at 5:15 p.m. after meeting with Ohio State Senate and House Republican members in the Governor's Cabinet Room at the capitol building. In his opening remarks, he re-

ferred to Governor James A. Rhodes of Ohio, Barbara Nicklaus, wife of professional golfer Jack Nicklaus, and Woody Hayes, head coach of the Ohio State University football team.

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The President's News Conference of *May 26, 1976*

THE PRESIDENT. Good evening. Won't you please sit down. Before turning to your questions, I have a brief statement.

REQUEST FOR CONGRESSIONAL ACTION ON PROPOSED LEGISLATION

[1.] Early next week the Congress will return from its Memorial Day recess. For many Americans the summer will have officially begun, and time for vacation will be at hand. However, it is extremely important this not become a vacation for the Congress. There is an immense amount of work piling up on the congressional calendar, and the country needs—and deserves—prompt legislative action in a number of important areas.

The temporary tax cut enacted last year will expire at the end of June. That tax cut must be extended. I have recommended that the Congress not only extend the tax cut permanently but increase by some \$10 billion a tax cut in the future. Among the benefits the taxpayers would receive under my proposal is an increase in the personal exemption from \$750 per individual to \$1,000 per person. This will be enough to permit many people to catch up on their bills and begin saving for the future. When we cut taxes, we must also cut Federal spending.

The Congress has not yet shown discipline enough to hold the line on Federal spending. That's why I vetoed so many big spending bills, and my vetoes so far have saved the taxpayer some \$13 billion. I will continue to use my veto until the Congress gets the message and Federal spending is brought under control.

Another major legislative item urgently awaiting congressional action is the reenactment of Federal revenue sharing. There has already been an inexcusably

long delay in passing this necessary legislation. Unless revenue sharing is extended before it expires at the end of this year, communities across Ohio and the rest of the country will be severely penalized. Communities such as here in Columbus and elsewhere would be forced to raise local property taxes and State taxes in order to continue vital public services which revenue sharing would provide. The Congress must reenact my revenue sharing proposal without delay.

Two other items must be given congressional action in the next several weeks. One is the B-1 bomber program. In considering the military procurement bill, the Senate recently voted to delay the B-1 production until February of next year. That vote was both unnecessary and unwise. Our armed forces are manned by the best trained men and women in the world, but they must have the tools to do the job. We need to get on with the B-1 program this year, not next year.

Finally, I urge the Congress to vote in the next few weeks for a full P.L. 480 program. Over the years the Food for Peace program, in addition to playing an important role in the implementation of our foreign policy, has provided expanded markets for American farm products. A provision of the security assistance bill presently pending in Congress would impose a \$175 million ceiling on P.L. 480 assistance to Korea. This action would severely hurt the American farmer who depends upon stable markets for his crops and would severely restrict the economic growth potential of one of our key allies. We need strong agricultural exports, and we need a full Food for Peace program. I strongly urge the Congress to remove this limitation.

One other item of significant importance: Last June I proposed to the Congress legislation that would establish a major new private industry in America providing the enriched fuel for nuclear power reactors. My proposal, the Nuclear Fuel Assistance Act, would make it possible for the United States to maintain its leadership as the world's supplier of uranium enrichment services for the peaceful use of nuclear power. The Joint Committee on Atomic Energy in the Congress has made some modifications on my proposal and approved it. I have reviewed the changes in the bill and concluded that I will support it.

The bill meets five fundamental objectives, which I stated a year ago:

—First, act to meet the future needs, domestic as well as international, for this essential energy source;

—It would end the governmental monopoly on supplying enriched uranium for nuclear powerplants;

—Three, establish a procedure whereby private enterprise can bring into commercial use the techniques created by Federal research and development

with proper licensing, safeguards, and export controls with the payment of royalties and taxes by private enterprise to the United States Treasury;

—Provided also in the bill is a complementary backup system for expanding existing Federal uranium enrichment capacity if private ventures are unable to meet on time the needs of U.S. and foreign customers;

—Last, assist in controlling nuclear proliferation by persuading other nations to accept international safeguards and forgo developments of nuclear weapons.

Finally, the bill and the committee report also authorize and direct the Energy Research and Development Agency [Administration] to begin planning and designing for the expansion of the existing uranium enrichment at Portsmouth, Ohio.

As soon as Congress passes the Nuclear Fuel Assistance Act, I will ask the Congress to appropriate \$170 million for fiscal year 1977 to proceed with the design, the planning, and the procurement of long, leadtime construction for the Portsmouth plant. This, I think, is a good program, and I hope the Congress acts so that I can request of the Congress the necessary funding for the complementary program at Portsmouth, Ohio.

I will be glad to answer the first question.

QUESTIONS

SCHOOL BUSING AND QUALITY EDUCATION

[2.] Q. Mr. President, Mr. Udall has accused you of playing politics with busing. Some Ohio civil rights leaders have indicated agreement. What is your answer to this criticism, and also what is your advice to residents of Ohio cities facing court-ordered desegregation next fall?

THE PRESIDENT. First, let me say that I have vigorously opposed court-ordered, forced busing to achieve racial balance as the way to accomplish quality education. I have opposed it from 1954 to the present time. We all know the tragedy that has occurred in many communities where the court has ordered forced busing on a massive basis. I think that's the wrong way to achieve quality education.

Last November, well, before the Presidential primaries got going, I met with the Secretary of HEW and with the Attorney General and asked them to come up with some better alternatives to the achievement of quality education and court-ordered, forced busing. The two Secretaries in my Cabinet have been working on alternative proposals.

The Attorney General is in the process of deciding whether or not, where and when, he should appear on behalf of the Federal Government to see if the Court, the Supreme Court, won't review its previous decisions in this regard. And secondly, the Secretary of HEW is submitting to me in a week or so the alternatives that he would propose to achieve quality education without losing the constitutional right of individuals so that we can do away with segregation and, at the same time, achieve quality education.

Now, the various communities in the State of Ohio that are in various stages of action by various parties, as far as busing is concerned, certainly ought to abide by the law. But we hope that at least possibly the Supreme Court will review its previous decisions and possibly modify or change. We can't tell.

But in the meantime local communities, of course, have to obey the law, and my obligation is to make certain that they do. But we must come back to the fundamental objective—one, quality education. I believe there is a better remedy than court-ordered, forced busing.

Q. Mr. President, there are many civil rights groups who believe that the word "quality education" is a code word that does not, is not in conformity with the Supreme Court's 1954 decision that we should have desegregated schools and that separate but equal are not equal. What do you say is your definition of "quality education?"

THE PRESIDENT. I respectfully disagree with some of the civil rights leaders. I think the best way to outline how we can achieve better or quality education and still insist upon desegregation is set forth in legislation under the title of Equal Educational Opportunity Act, which was passed in 1974.

If the court will follow those guidelines that were included in that legislation, we can protect the constitutional rights of individuals, we can eliminate segregation, and at the same time we can give to individuals, the students, a better educational opportunity and accomplish quality education.

THE "WASHINGTON ESTABLISHMENT" AS A CAMPAIGN ISSUE

[3.] Q. Mr. President, do you feel the Wayne Hays¹ incident and the prospect of a House investigation of Mr. Hays' conduct will fuel what seems to be an anti-Washington establishment tenor to the Carter and Reagan campaigns? If so, how will it affect you, and as a long-time member of that establishment, how will you cope with it?

THE PRESIDENT. I don't believe it's appropriate for me to comment on a house-keeping problem involving the House of Representatives. I'm sure the House will take whatever appropriate action should be taken. I can't see, under any

¹ U.S. Representative from Ohio.

circumstances, how it would affect me, because at the time I was nominated for the Vice-President, 400 FBI agents investigated my life from birth up to that point, and 89 of them spent about a month in my hometown. So I think on the basis of their investigation and the fact that a Democratic Congress, House and Senate, overwhelmingly approved the record that was made in the Senate Committee on Procedures and the House Committee on the Judiciary, where they cleared me of any problems whatsoever—I don't see how this incident would have any ramification or application as far as I am concerned.

Q. You don't think it would contribute to that whole anti-Washington mood that Carter and Reagan seem to be exploiting?

THE PRESIDENT. I can't pass judgment on the impact of the anti-Washington feeling, but it certainly has no application as far as I'm concerned.

REPUBLICAN PRESIDENTIAL CANDIDATE

[4.] Q. Mr. President, following your victories in Oregon, Tennessee, and Kentucky, you declared earlier today that you're the Republican with national potential, and you had some reservations about Mr. Reagan. Could you elaborate on your reservations about Mr. Reagan as a Republican candidate?

THE PRESIDENT. I'm not going to pass judgment on his capabilities. But I can look back at the various primaries that I have won, and they cover the wide spectrum of the United States not only in the North, the East, the West, and the South but they are broad in their application.

I think it does point out beyond any doubt that I am the most electable Republican candidate. If I am the most electable Republican candidate and can help elect Members of the House and Senate on our side of the aisle, plus State legislatures, I think I am the candidate that is in the best interest of the philosophy of the Republican Party. I will let Mr. Reagan undertake a defense of his electability.

Q. Throughout the campaign you have chided Mr. Reagan for perhaps moving social security funds into the stock market. You said earlier today you thought perhaps his remarks on the TVA and returning it to private industry have hurt him there, and you suggested at times that he would be reckless in his confrontations. Do you have reservations about Mr. Reagan as a man who should sit in the Oval Office?

THE PRESIDENT. I have said, first, that I expect to get the nomination, and I expect to be elected in November. But I have traditionally—and I am proud of it—always supported the Republican nominee.

Q. Was that yes?

THE PRESIDENT. I said I always support the Republican nominee.

EFFORTS TO INCREASE AND CONSERVE ENERGY RESOURCES

[5.] Q. Mr. President, gasoline prices are on their way up again. Is the lack of a conservation ethic in the motoring public to blame, and what is your administration doing to curb U.S. consumption of imported oil?

THE PRESIDENT. In January of 1975, about 15 months ago, I recommended to the Congress a comprehensive energy program. It took the Congress from January of 1975 to mid-December of 1975—10 or 11 months—to come up with a bill that was half a loaf, but it was better than nothing. So, that legislation is what we have to work with.

The net result is we haven't moved as fast as we ought to in producing additional domestic resources for energy in this country. If the Congress had been wise enough to accept the energy bill that I proposed, we would be many, many months ahead of where we are at the present time, and we wouldn't have the kind of uncertainty as to our energy independence in the future.

I'm going to continue to do what I can under this restrictive legislation to free the industry so that it can produce more domestic oil. I hope the Congress is wise enough to pass some affirmative legislation so we get more new natural gas available. I hope that we can stimulate more coal production. I hope and trust that we can add to our nuclear power capability and do the necessary research and development on solar energy and geothermal energy.

Now, if the Congress would move, as I urged them to do better than a year, about 15 months ago, we would be a lot further ahead. I hope and trust that in the process where we are faced with growing demand and unfortunately growing reliance on foreign sources of oil, that we can get wholehearted public conservation efforts. I can assure you that this administration will do all it can under the law to provide for greater conservation.

Q. Are you pleased with the way the American people are viewing the energy crisis as it is now?

THE PRESIDENT. It could be better, but I think the Congress is the greatest culprit.

WITHDRAWAL OF CUBAN TROOPS FROM ANGOLA

[6.] Q. Mr. President, Secretary of State Kissinger is quoted as saying Cuba has pledged to pull its troops out of Angola. It is a positive development, and he has expressed pleasure at this.

Do we have any indication other than Castro's message to the Swedish Prime

Minister that this is in fact about to happen, and has there been any contact, direct or indirect, between Washington and Havana on this subject?

THE PRESIDENT. As I understand the message that was from Mr. Castro to Prime Minister Palme in Sweden, was that it went from Havana to Moscow to Sweden. I think that is somewhat significant. It does indicate that there is a planned withdrawal of some 200 per week, as I recall the figure. That is progress. We are encouraged, but we have had no direct communication as far as any such movement by Cubans out of Angola.

I hope that that trend will be accelerated. That would be even more encouraging. But as far as any direct communication, we have had none.

Q. Does the Cuban withdrawal carry with it any implied intent on the part of the U.S. to recognize the MPLA?

THE PRESIDENT. No. At this stage, certainly not.

PRESIDENT FORD'S PROSPECTS FOR A FIRST-BALLOT NOMINATION

[7.] Q. Mr. President, this morning you said that it would still be politically possible to win the nomination on the first ballot if you lost California. Could you explain how that is realistic?

THE PRESIDENT. Well, if we look at the number of delegates we have at the present time and the number we would expect to get from the remaining primaries plus the progress that we anticipate in the various States where they pick their delegates by State conventions, it is our belief that the momentum that started with Maryland and Michigan and kept through Pennsylvania and Ohio and certainly was good for us yesterday, we think with that momentum we can add up to about 1,130 or more.

Q. But wouldn't the California win by Governor Reagan still give him the momentum?

THE PRESIDENT. I would doubt it because we expect to do well in the great State of Ohio, and we certainly expect to do well in New Jersey. And those two primaries come the same day that the vote comes in California.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[8.] Q. Mr. President, in view of the fact that Mr. Reagan will come to the convention in August with a delegate total very close to your own, do you feel that if you receive the nomination there may be very grave and perhaps irresistible pressure on you to accept Governor Reagan as your running mate?

THE PRESIDENT. I have personally never excluded any Republican for consideration as a Vice-Presidential candidate. But, as I am sure you recognize, Mr. Rea-

gan has indicated publicly on a number of occasions he did not want to be considered for that opportunity to serve as a Vice-Presidential candidate. But as far as I'm concerned, I have excluded no Republican from consideration as a Vice-Presidential nominee.

Q. In view of the fact that each of you has demonstrated great appeal in the primaries, do you feel that there would be a tremendous unity factor in combining the two of you on a single ticket?

THE PRESIDENT. I don't think I should make any commitment at this time. It is premature because we have to wait and see how the primaries come up and how the State conventions work out. It is just too early for us to make any commitment of the kind that you are suggesting.

CEDAR POINT NATIONAL WILDLIFE REFUGE

[9.] Q. Mr. President, the Congress passed the supplementary appropriation bill waiting your signature. Included in it is \$1.6 million for Cedar Point National Wildlife Refuge to rebuild some badly eroded dikes. The people in northwest Ohio want to know if you are going to sign that and, if you are, how soon?

THE PRESIDENT. I certainly am strongly in favor of the project that you indicate. As a matter of fact, we have been pushing in trying to get that \$1.6 million for that project. We think it is good, and I am personally in support of it, but I want to wait and personally analyze the overall supplemental appropriation bill before I make a commitment. I will do it the first thing tomorrow morning. And we have time before the 10 days expires.

But, as far as that project is concerned, I fully support it. And, if that was a single item, not a part of a total supplemental appropriation bill, I would sign it tomorrow morning. But I have an obligation to take a look at all of the other items that are in the supplemental appropriation bill. I will do it tomorrow, and hopefully I will be able to sign it because I am strongly in favor of that project.

JUSTICE DEPARTMENT INVESTIGATION OF CONGRESSIONAL MISUSE OF PUBLIC FUNDS

[10.] Q. Mr. President, to follow up on the sex scandal that was discussed just a few minutes ago, you said that it was a housekeeping measure for the Congress. Yet we hear that the Justice Department is looking into this for the possible misuse of Federal moneys. I am wondering if you have asked the Justice Department to look into that at this point?

THE PRESIDENT. I have not asked the Justice Department to look into it. The Justice Department is headed by a very able Attorney General, and I am sure

if he or his associates feel there has been any violation of law, under his oath of office, he will undertake that responsibility.

PUBLIC REACTION TO CONGRESSIONAL MISUSE OF PUBLIC FUNDS

[11.] Q. My next question is—you indicated that you didn't see how this could hurt you in any way—my question is, do you think this will hurt the Congress in campaign '76, those incumbents who are running for reelection?

THE PRESIDENT. Those who are not involved I don't think will be adversely affected. I think that, as far as I know, one individual is involved. I can't see how it would be detrimental to those who have no part or have had no connection with it.

CONDUCT OF FOREIGN POLICY BY FORD ADMINISTRATION

[12.] Q. Mr. President, do you think some of Ronald Reagan's popularity in the primaries is due to his attitude the United States should conduct foreign policy from a strong posture rather than the conciliatory position evident in the last few months, and what would be your reaction to a charge that the program is conciliatory?

THE PRESIDENT. First, I want to deny most emphatically that this administration has been less than forthright and strong in the conduct of its foreign policy. We have been very strong, and let me cite you an illustration.

Back in December, when we knew that the Cubans were getting involved in Angola and we knew the Soviet Union wanted to be very helpful with some \$200 million of military equipment, the President Ford administration took a strong position. Regrettably, the Congress didn't stand up and support us. So, the Ford administration was in the forefront, and any charge or allegation to the effect that this administration is anything but forthright and strong in the conduct of foreign policy hasn't studied the record.

So, I can assure you, because we have been strong, because we have been forthright, we have been able to convince our allies that we were reliable, and we have been able to convince our adversaries that we mean business.

Now, the Ford administration has repeatedly believed that if we can negotiate it is better than going to war, and I can assure you that we will negotiate, but negotiate from a position of strength rather than a position of weakness.

ALTERNATIVES TO SCHOOL BUSING

[13.] Q. Mr. President, I was wondering if you could give us some hints about these alternatives that you are considering to forced busing. I just won-

dered what, beyond the Esch amendment and what is spelled out in the law and what the courts have already examined, what possibly could be an alternative that would hold up in the courts? What are the sorts of things that you are looking at?

THE PRESIDENT. When the proper time comes, Mr. Schieffer [Bob Schieffer, CBS News], we will reveal what Secretary Mathews has recommended to me and the options that I have selected. I think there are some possibilities, but I think it is premature until I have made the final decision to indicate what he has thought might be an improvement over the way we have been handling the situation in the past.

Q. Is it fair to say, though, Mr. President, that this is going to require some major legislative work, major changes in the law?

THE PRESIDENT. Not necessarily, not major legislative changes. It can have some legislative impact, but it is also what we can do administratively.

Q. Why not just go for a constitutional amendment against forced busing?

THE PRESIDENT. I think that is too inflexible. And the facts of life are that that constitutional amendment has not gotten, or it can't possibly get a two-thirds vote in either the House or the Senate, and it certainly cannot be approved by 75 percent of the States.

So, anybody who talks about a constitutional amendment is not being fair and square with the American people because no Congress that I have seen—and this one is a very liberal one—has done anything to get it to the floor of the House or even to the floor of the Senate, as I recollect.

So, when you talk about a constitutional amendment, you are kidding the American people, and anybody who has been in Congress knows that.

Q. I have some more questions.

THE PRESIDENT. Go ahead.

Q. At least that is saying what you are for. What I am wondering is, why you can't give us a few hints about what the alternatives are that you think will solve the problems?

THE PRESIDENT. At the proper time, Mr. Schieffer, Secretary Mathews will have the option paper before me, and I will be glad to review it and make it public at that time.

SUPPORT FOR PRESIDENT FORD FROM DEMOCRATS AND INDEPENDENTS

[14.] Q. Mr. President, since Governors Reagan, Carter, and Wallace have all conducted, to some degree, an anti-Washington campaign, should you be the nominee and Governor Carter be the Democratic nominee, how do you

propose to attract the votes of the Reagan supporters, particularly the Wallace crossovers to Reagan?

THE PRESIDENT. I want to appeal to as many Democrats as I possibly can, and that is what I did in Michigan in the recent primary. My opponent very obviously wanted the Wallace element and only the Wallace element. I appealed in Michigan to all Democrats and all Independents who wanted to cross over and vote for me if they believed in my record and believed in what I was trying to do. And we got a tremendous number of Democrats in Michigan to cross over, and I'm very proud of it.

Now, after we get the nomination in Kansas City, we will naturally want to get as many Democrats as we can because the Republican Party, according to statistics, has only about 19 percent of the public and the Democratic Party has 35 to 40 percent, as I recall. The rest of the people are Independents.

So, a Republican candidate for the Presidency has to have a lot of support from Independents and a significant support from Democrats. And the experience in Michigan, where I got a broad spectrum of Independents as well as Democrats certainly is conclusive that I have a very good appeal to Independent voters as well as broad-minded and, I think, very wise Democrats.

ALTERNATIVES TO SCHOOL BUSING

[15.] Q. Mr. President, I think any number of people are a little confused about the status of the so-called alternatives to court-ordered busing. Just last week, you told a group of Kentucky editors just before the Kentucky primary that you had three alternatives that you were studying and that you would be making a judgment on them within a few weeks.

At that same meeting, you said the Justice Department may choose Louisville when, in fact, the Justice Department was not at that time considering Louisville. Do you now have those alternatives before you or, as you have indicated tonight, will they come from David Mathews? And finally, as a result of all this confusion, don't you see how the impression is left strongly that you may be doing this for political reasons?

THE PRESIDENT. I think you have confused it by not relating the whole sequence of events. I have repeatedly said that last November I called in the Attorney General and the Secretary of HEW and said I wanted a better answer so we could achieve quality education and not tear up society in a city such as Boston. A month or two later they came back with a number of options. I said they ought to winnow them down. This was well before any Presidential primaries were on the agenda.

We have been seriously and constructively working together, and the Attorney General, in due time, as he finds the right case, will go to the Supreme Court if he thinks the record justifies it. And Secretary Mathews will come to me with a more limited number of options at the proper time, and I expect sometime within the next several weeks I will get those recommendations.

Q. But did you not tell the Kentucky editors, as I recall it quite vividly, that you had three alternatives already that you were studying and that you would make a judgment on those shortly?

THE PRESIDENT. I had three, and I have asked Secretary Mathews to review them and to make sure that they might be alternatives that would really be helpful. And he has gone back to review those three alternatives, and I expect shortly he will come up with a more complete recommendation.

WELFARE REFORM

[16.] Q. Mr. President, 200 persons, or interested groups, are suing the Government to block the 1½ million persons who might be dropped from the welfare rolls. What is the Ford administration going to do to change that proposal to be sure that persons on welfare can have the adequate sustenance they need?

THE PRESIDENT. Which part of the welfare program are you talking about?

Q. I'm speaking about the part where the proposal states that many of the persons would either receive limited amounts or some would be dropped totally. I know it's a complete package, but how will you deal with that total situation?

THE PRESIDENT. There are a number of areas of welfare where we have sought to take corrective action. One of them is the food stamp program. I have made recommendations in the food stamp program to give more food stamps to the really needy and eliminate from the food stamp program people who are well above the poverty line and in the process save about \$1,600 million. Now, that's one part of the welfare program.

There are other areas, and I cannot detect from the way you have described it which one you are talking about, other than the food stamp program because that was \$1,600 million, too.

PRESIDENT FORD'S REACTION TO JUDICIAL DECISIONS

[17.] Q. Mr. President, you have reiterated tonight that you are against court-ordered busing to achieve school desegregation, a remedy that's the law of the land. You've also said that you told your Attorney General to get the Supreme Court to reconsider its busing decisions. Just this week you also indi-

cated that you would get your administration to try and reverse a court order protecting porpoises against being killed by tuna fishing.

My question is this, sir: If the President of the United States does not accept court decisions, doesn't that encourage the people of the United States to defy court decisions, and isn't there a danger the law of the land will be eroded?

THE PRESIDENT. Not at all, because whether I agree with decisions or not, this administration, through the Attorney General, has insisted that the court decisions, whether they are in Boston or Detroit or anyplace else, be upheld. I have repeatedly said that the administration will uphold the law.

Now, in the case of court-ordered, forced busing, which I fundamentally disagree with as the proper way to get quality education, the Attorney General is looking himself to see whether there is a proper record in any case that would justify the Department of Justice entering as *amicus curiae* a proceeding before the Supreme Court to see if the Court would review its decision in the *Brown*¹ case and the several that followed thereafter.

I think that's a very proper responsibility for the Department of Justice and the Attorney General to take. They need clarification because all of these busing cases are not identical. And if the Department of Justice thinks that they can't administer the law properly under the decisions because of the uncertainties, I think the Department of Justice has an obligation to go to the court and ask for clarification. And that is precisely what the Attorney General may do.

Now, in the case of the decision by Judge Richey involving the tuna industry, that was a decision made by him under the Mammal Protection Act. But the net result is he has literally interpreted the law so that in effect it will ruin the tuna industry in this country and, at the same time, preclude the tuna industry from doing the things that they are doing to cut down the loss of life as far as porpoises are concerned. And the tuna industry, from my own personal examination—and I think you were there—they have considerably changed the kind of nets that they are using so the loss of porpoises has been cut significantly. And apparently Judge Richey, in interpreting the law, didn't take into consideration the tremendous improvements of the tuna industry in trying to save the lives of porpoises.

Now, in the meantime, one of the Members of the House of Representatives

¹ At his news conference on Thursday, May 27, 1976, Press Secretary Ron Nessen stated: "The reference to the *Brown* case was not correct. Over the years the President has consistently and firmly stated that he supports the *Brown* decision and in the news conference itself last night a number of times he said that he is opposed to segregation in schools and intends to uphold constitutional rights in school cases. What he was referring to . . . in that remark was some of the more recent court cases since *Brown* that have ordered forced busing to achieve desegregation."

from California has introduced legislation to clarify the Mammal Protection Act. And that legislation would give more flexibility so that the tuna industry can be saved on the one hand and the new procedures of the tuna fishermen, which protects the lives of porpoises, can be carried out. I think that is a responsible position for an administration to take.

Q. Just to follow up my original question, sir, you said in reply to a question on busing on the West Coast, and I think I am quoting you correctly, that "maybe we need some new judges." Mr. President, are you suggesting if elected you might try to pack the Federal courts with judges favorable to your position on busing?

THE PRESIDENT. Let me say that the one opportunity I have had to appoint a judge to the United States Supreme Court, he was almost unanimously approved because of his high quality. He wasn't selected because he had any prejudgments or conclusions concerning anything. He was a man of great intellect, great experience, and good judgment. And I would expect in the next 4 years to appoint people of the same quality and caliber, and I would expect the United States Senate to overwhelmingly approve them as they did Justice Stevens.

REPORTER. Thank you, Mr. President.

NOTE: President Ford's thirty-third news conference began at 7:01 p.m. in the Presidential Ballroom East at the Neil House Hotel in Columbus, Ohio.

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Message to the Congress Transmitting Annual Report of the Railroad Retirement Board. May 27, 1976

To the Congress of the United States:

I hereby transmit to you the Annual Report of the Railroad Retirement Board for fiscal year 1975.

The Report indicates that the Board paid retirement and survivor payments in excess of \$3 billion to almost one million one hundred thousand individuals during the fiscal year, and that it made unemployment and sickness benefit payments totaling \$67 million to over 137,000 claimants.

This Report also includes a summary of legislation enacted in 1974, which restructured the retirement and survivor program and substantially improved the financing of the railroad retirement system. In addition, it includes a description of the 1975 amendments to the Railroad Unemployment Insurance

Act, which increased the daily rate of unemployment and sickness benefits payable to railroad workers and made other improvements in that program.

GERALD R. FORD

The White House,
May 27, 1976.

NOTE: The report is entitled "Railroad Retirement Board—1975 Annual Report for Fiscal Year Ending June 30" (Government Printing Office, 89 pp.).

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Message to the Congress Transmitting Annual Report on Coastal Zone Management. May 27, 1976

To the Congress of the United States:

I am transmitting herewith the third annual report from the Secretary of Commerce covering the significant developments that took place during the second full year of implementation of the Coastal Zone Management Act of 1972. The period covered is Fiscal Year 1975, when the states began full development of their coastal programs.

The country's urgent need for new domestic sources of energy and our concern for minimizing environmental damage and community disruption have combined to underscore the importance of the effort put forth in the coastal zone program. The program points out the importance of cooperation at the state and federal level in order to provide appropriate and timely solutions to these important problems.

GERALD R. FORD

The White House,
May 27, 1976.

NOTE: The report is entitled "Report to the Congress on Coastal Zone Management—July 1974 through June 1975" (17 pp. plus appendixes).

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Exchange at a Meeting With the Board of Directors of the General Aviation Manufacturers Association. May 27, 1976

IT IS good to see some familiar faces around here. It is a pleasure for me to have an opportunity of meeting with an industry that I understand produces

about \$1 billion worth of business a year and employs about a quarter of a million people in your various plants and facilities. That has a very significant impact on our export capability.

During my travels around the country, before I started flying in Air Force One, I flew with a good share of the 750,000 private pilots in the country—[*laughter*]*—*and probably flew in a good share of the 150,000 aircraft. I know I have been in most of the airports of the country as a result of the general aviation capabilities.

So, I am fully cognizant of not only what you do from the point of view of exports but also of business and jobs. I think most of you recognize that we have made a very determined effort across the board to get rid of some of the onerous, nonproductive rules and regulations that have plagued not only your business, but plagued most of industry.

So, when the Department of Commerce got into the problems of your export business, they found, as I understand it, that about 4,000 licenses a year were required for the export business in which you participated. It seemed to Commerce totally unnecessary under the practical circumstances, and it has now reduced the potential from some 4,000 down to, I think it is, 12 to 15 per year. So that, I think, is some very, very significant progress.

I am not a technician, so rather than show my ignorance I would rather read what I am told we are announcing today:

The elimination of all export license requirements for general aviation aircraft utilizing standard communications equipment. This will apply to exports to most nations. In addition, exporters of aircraft with sophisticated equipment will no longer have to apply for individual license for each aircraft exported. They will now be able to obtain a single distribution license allowing products to be shipped freely to distributors in most nations.

I understand there is an announcement going out at 3:30 this afternoon or thereabouts to this effect. So at least in one area, we have made some significant progress in the elimination of unneeded, onerous, nonproductive rules and regulations involving the Federal Government.

I wish, and I certainly hope, that other agencies of the Federal Government will show the same kind of responsiveness.

Garner, I didn't see you sitting over there. [*Laughter*] I know Garner comes from—what is that, Wichita?

CONGRESSMAN SHRIVER (Representative Garner E. Shriver of Kansas). You bet.

THE PRESIDENT. I know when I was in the House of Representatives, he was

always reminding me of several plants out there. I don't want to advertise one over another, so I will just say general aviation manufacturing and production.

[*Laughter*]

Now, I will be glad to answer any general questions. I am just a user, or was a user, not a technician. But if you have any questions as to the application of this or other details, I am sure we have people here that can respond to them. But from what I know, I am very pleased that they—the Department of Commerce—took some affirmative action and moved in the right direction.

FRANK E. HEDRICK. I think that is proper, Mr. President, and I am the chairman of the GAM organization and also president of Beech Aircraft, the one you spoke of earlier. [*Laughter*]

THE PRESIDENT. I have flown in a few of them.

MR. HEDRICK. I have a very simple statement here I would like to read to you in response.

"On behalf of the General Aviation Manufacturers Association Board of Directors, we sincerely thank you for the regulatory reform you have just announced, and that is genuine.

"With this action, our Government has improved the procedures for exports, potentially expanded the employment levels as a result of better export opportunities, and reduced both the cost of Government and the cost of doing business.

"Hopefully, this action will improve the export posture and add to the U.S. balance of trade.

"Mr. President, we look forward to the future with increased optimism. To be in our business you have to be optimistic. [*Laughter*]

"Knowing of your recognition of the general aviation industry is a comfort. As you know, general aviation is playing a growing role in the transportation system, both in the United States and in the world. We appreciate your help in furthering this industry."

Thank you, sir.

THE PRESIDENT. Thank you very much. I hope and trust we can work together on some of the other problems that involve both Government and your industry, and I will pledge you the same kind of cooperation in those areas as we have tried to exhibit in this instance.

MR. HEDRICK. Thank you very much.

THE PRESIDENT. Is the industry doing well?

MR. HEDRICK. Quite well. We are having our best year in 1976 that we have had in our history, both in units and dollars. We had quite a controversy within our own organization—

THE PRESIDENT. I have that in the Government. [*Laughter*]

MR. HEDRICK. Some of us like to brag about units, if they build small airplanes. Those of us who build larger airplanes with higher dollars like to talk about dollars. So, we now combine and speak both to units and dollars.

Nineteen hundred and seventy-six will be one of our better years—1975 was one of our better years, and 1976 will be even better than that. As we look to the future, say 15 years down the road, assuming all things are equal, we look for it to continue.

THE PRESIDENT. How is the export business? Are we ahead competitively with other nations in the private industry?

MR. HEDRICK. We are practically the only exporters in general aviation, actually. So, we are doing a good job. We have some problems in the area of restrictive tariffs, which we think are different. We discussed those in detail yesterday and at least expressed our opinion.

We feel, for instance, on the cross-licensing or the reciprocating license agreements, we are a little bit too generous and do not trade off the fact that we can do well enough to get our advantages that we should have in the commerce section. And we are addressing ourselves to that subject and hoping that we will have fewer bilateral licensing agreements until we have better bilateral marketing agreements.

THE PRESIDENT. Keep after it, Fred. [*Laughter*]

MR. HEDRICK. We are not really very shy, sir. [*Laughter*] We are glad to have your encouragements.

THE PRESIDENT. It is nice to see you all. I would like to go around and shake hands.

NOTE: The President spoke at 3:16 p.m. in the Roosevelt Room at the White House where he announced the revised export control regulations for general aviation aircraft to the board of di-

rectors of the General Aviation Manufacturers Association, who were in Washington attending the quarterly meeting of the board.

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Memorandum on Civil Service General Schedule Classifications. May 28, 1976

[Dated May 27, 1976. Released May 28, 1976]

Memorandum for the Heads of Departments and Agencies

Over the past two decades, there has been a gradual but substantial rise in the average grade of General Schedule employees. Much of this rise is due to the

fact that technological changes and other factors have brought about significant shifts in the makeup of the Federal workforce. These changes are reflected by a marked increase in the proportion of technical, professional, and managerial employees in the General Schedule.

We cannot assume, however, that this is the whole explanation. Recent reviews by the Civil Service Commission, the General Accounting Office, and the Office of Management and Budget indicate that classification and position management systems are not functioning as effectively as they should in a number of Federal agencies. There is evidence of both overgrading and undergrading because positions are either improperly described or inaccurately classified. This creates a situation which is unfair to all concerned. There are also indications in several agencies of excessive organization fragmentation, duplication of work and superfluous layers of supervision.

Where work has become substantially more complex or difficult, managers have a clear obligation to make commensurate adjustments in the way work is organized and in the grades of individual jobs. At the same time, there is an equally clear responsibility to ensure that undue grade increases are not allowed to occur. Position classification is a matter of law. Government managers are required to put jobs in their proper grades and Federal employees are entitled to equitable pay. Proper position management ensures that work is organized in a cost effective manner to provide optimum development and use of people's skills and energies. When either position classification or position management is deficient the result may be an unnecessary increase in the cost of Government.

I, therefore, am calling upon you to reexamine your internal position management and classification systems to ensure they are operating effectively and in full compliance with applicable laws and regulations. Agency heads will conduct this review in a manner to be prescribed by the Civil Service Commission and will report to the Commission both the actions they have taken and the results of those actions.

At the same time, the Civil Service Commission will pursue vigorously its continuing programs for evaluating agency performance and bringing about corrective action in the areas of position management and classification. Where the Commission finds extensive overgrading, undergrading, or underutilization of personnel resources, it will bring its findings to the attention of the Agency head concerned. In addition, the Commission and the Office of Management and Budget will work with the agencies involved to correct such problems, and may prescribe special instructions where warranted.

GERALD R. FORD

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**Remarks on Signing the United States-Soviet Treaty on
Underground Nuclear Explosions for Peaceful Purposes.
May 28, 1976**

Mr. Secretary, Mr. Ambassador, distinguished guests:

The treaty we are signing today is an historic milestone in the history of arms control agreements. For the first time it provides for extensive cooperative arrangements for onsite inspection and observation in monitoring underground nuclear explosions.

This means that the Soviet Union will allow American observers to witness certain larger tests on their territory, and if we should have such a test, we would reciprocate and allow Soviet observers here in order to verify at firsthand that our control agreements are being adhered to.

This accomplishment in agreeing to onsite observation demonstrates that our two countries can soberly negotiate responsible and beneficial agreements despite the difficulties of the challenge. The negotiations culminating in this treaty raised very unique problems. The discussions were long and complex. But the result: Real progress has been made in the field of arms control. A significant step has been taken toward a more stable, peaceful world and a more constructive relationship between the United States and the Soviet Union.

The new treaty, together with the Threshold Test Ban Treaty, will govern the conduct of every underground nuclear explosion for military or peaceful purposes for both parties. The two treaties impose the same limit of 150 kilotons on all individual underground nuclear explosions.

The ultimate purpose of the network of arms control agreements we have already negotiated and which are currently being negotiated, is to bring about a more peaceful world. Pushing back the shadow of nuclear war must be our constant concern. That, indeed, is the underlying purpose of all of the numerous agreements for constructive cooperation which our two countries have concluded in recent years.

I welcome the accomplishments we mark here today. And I hope it will lead to further achievements in building a stable and a just peace for our two peoples and for all mankind.

I will send these two treaties to the Senate for the earliest possible consideration and urge that the Senate grant its advice and consent to their ratification.

I will now sign the Treaty and the Protocol on Underground Nuclear

Explosions for Peaceful Purposes between the United States and the Soviet Union.

I have signed these documents which will contribute significantly to lasting peace and a future of better relations among all nations, and I thank you all for being here today.

Thank you very much.

NOTE: The President spoke at 10 a.m. in the East Room at the White House. In his opening remarks, he referred to Secretary of State Henry A. Kissinger and Soviet Ambassador to the United States Anatoly F. Dobrynin.

A similar ceremony was held simultaneously in Moscow where General Secretary Leonid I. Brezhnev signed the treaty on behalf of the Soviet Union.

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Statement on International Oil Prices. May 28, 1976

I AM encouraged by OPEC's decision, announced today in Bali, not to increase the international price of oil at this time.

This decision was a responsible one for the world's economy, which is just beginning to recover from recession and adjust to existing high oil prices. In today's interdependent world, a stable and growing world economy is in every country's interest, and the United States looks toward further improvements in the relationships between oil-producing and consuming countries.

However, this decision should not lead us to lessen our drive toward energy independence. In my first State of the Union Message, I put before the Congress a complete program for significantly reducing our dependence on imported oil over the next 10 years. While some of the legislation I requested has been passed by the Congress, much more needs to be done.

The program I proposed consists of five fundamental parts:

1. maximizing energy conservation;
2. full development of domestic oil and gas reserves;
3. doubling of domestic coal production;
4. substantial increase in our nuclear power capacity;
5. completion of a national petroleum storage program.

The plan I sent to the Congress addressed each of these areas, as well as focusing on our post-1985 requirements with legislation and an increased research and development budget to expedite the development of advanced technologies, such as solar energy.

This country cannot afford to have the price and supply of so vital a com-

modity controlled by other countries. Even without a price increase this year, American consumers will pay \$35 billion for imported oil as compared to \$27 billion last year, and only \$3 billion in 1970.

The responsibility to reverse this situation now rests with the United States Congress. I regret that it has been unable to face up to the energy problem and pass the program that I requested.

542

Statement on Signing the Medical Device Amendments of 1976. May 28, 1976

TODAY, I have the pleasure of signing into law S. 510, the Medical Device Amendments of 1976 to the Federal Food, Drug, and Cosmetic Act of 1938.

It is almost exactly 70 years since President Theodore Roosevelt signed the Pure Food and Drugs Act of 1906, the Nation's first Federal food and drug legislation designed to protect the American consumer against health threats arising from harmful substances and deceptive practices. Since then, there have been a number of actions to strengthen and update the structure of protection sought by President Roosevelt.

While we as a nation were able to take justifiable pride in the laws providing for safety, honesty, and efficacy in the foods and drugs we consume, it became increasingly clear that there remained a large, significant, and growing gap in that security. Until today, the American consumer could not be sure that a medical device used by his physician, his hospital, or himself was as safe and effective as it could or should be.

In 1906 President Roosevelt had no need to ask for legislation concerning medical devices, for the devices used by physicians of this day were comparatively simple. They stood at the edge of medicine, helpful but not essential and, therefore, posed no regulatory need.

By the 1960's, however, enormous advances in science and technology moved medical devices from the edge close to the center of the stage. Today, devices are routinely implanted in our bodies. They replace limbs, bones, tissues, even entire organs. They permit treatment of forms of illness that can be accomplished in no other way. They magnify and speed 10 thousandfold the diagnostic power of the human eye and brain.

Medical and diagnostic devices have produced a therapeutic revolution, but in doing so they have also become more complex and less easily understood

by those who use them. When well designed, well made, and properly used they support and lengthen life. If poorly designed, poorly made, and improperly used they can threaten and impair it.

Despite the increasing importance of devices, the Food and Drug Administration has had inadequate authority to deal with them. FDA has had no reliable way of knowing how many devices there are, who is making them, who is selling them, what risks to health and life they may present, and when a manufacturer has found it necessary to remove them from the medical marketplace.

In addition, no device was required to be proven safe and effective prior to marketing, no matter how crucial it might be to the person using it, even if that use involved implantation in his body.

Recognizing these and other deficiencies, the administration ordered a study of the problem in 1969 and subsequently asked Congress to enact remedial legislation.

In its deliberations since that time, Congress benefited greatly from the cooperation voluntarily extended by the medical device industry, who clearly saw the need for legislation that would protect the consumer as well as the manufacturer who refused to compromise with safety. Representatives of consumers and health professionals also played an important role.

The Medical Device Amendments of 1976 eliminate the deficiencies that accorded FDA "horse and buggy" authority to deal with "laser age" problems. It is important not only in what it will do to protect the consumer; it is also important as a symbol for the kind of regulation that I feel is most appropriate to government. It does not represent another expansion of government into affairs we might better manage ourselves. Instead, this is an example of government doing for the individual citizen what he or she cannot do unaided.

I welcome this legislation and commend the FDA who identified the need, cooperated in its development, and, finally, will be entrusted with its enforcement.

This agency daily faces a most difficult task—preventing threats to the public health in a way that is not onerous, but fully consonant with the principles of competitive economic development on which this Nation was built. It is a task that requires determination, scientific skill, judgment, and, most of all, compassion for the hopes and needs of our fellow man. Dr. Alexander M. Schmidt, Commissioner of Food and Drugs, has effectively taken on the job of assuring that the hope and expectations of the consumer for lifegiving drugs and devices are not false promises.

I reaffirm my support for the fine work of the Food and Drug Administration and the job ahead.

NOTE: As enacted, S. 510, approved May 28, 1976, is Public Law 94-295 (90 Stat. 539).

543

Statement on School Busing. May 29, 1976

THE ATTORNEY General has notified me that after a thorough review he has decided that the Department of Justice should not file a brief in the Boston school desegregation case at the current stage of litigation.

The Attorney General also pointed out that for over two decades the Department of Justice has entered virtually every school desegregation case that the Supreme Court has agreed to review. If the Supreme Court agrees to review the Boston case, the Department of Justice will follow past practice and enter the case at that time.

I have informed the Attorney General that I respect his decision not to intervene at this time and agree with him that the decision in no way reflects upon the merits of the case.

I have directed the Attorney General to continue an active search for a busing case which would be suitable for judicial review of current case law on forced school busing and to accelerate his efforts to develop legislative remedies to minimize forced school busing. It is my intention to send a message to the Congress recommending such legislation at the earliest possible time. In addition, I shall meet next week with the Attorney General, the Secretary of Health, Education, and Welfare, and other members of my administration to review other possible actions that can be taken to provide communities with assistance in achieving equal educational opportunity for all.

My objective is to create better educational opportunities consistent with the Nation's commitment to justice and equal opportunity. In my view, massive school busing, while done with the best of intentions, has too often disrupted the lives and impeded the education of the children affected. I believe that ways can be found to minimize forced busing while also remaining true to the Nation's ideals and our educational goals. That is my objective.

544

Remarks at Memorial Day Ceremonies at Arlington National Cemetery. May 31, 1976

Mr. Sutphin, Secretary of the Army, Senator Dole, distinguished Members of the Congress, members of the diplomatic corps, sponsoring veterans organizations, General Yerks, ladies and gentlemen:

There is no higher honor or more solemn privilege than to represent our Nation in paying tribute to its honored dead. In this, our 200th year, this day and this hallowed ground take on a very special meaning. As we mark this anniversary of our national independence, we must remember that the Bicentennial celebrates more than a successful political revolution which freed America from foreign rule. The founding of our Nation was more than a political event; it was an act of faith, a promise to Americans and to the entire world. The Declaration of Independence declared that people can govern themselves, that they can live in freedom with equal rights, that they can respect the rights of others.

In the two centuries that have passed since 1776, millions upon millions of Americans have worked and taken up arms when necessary to make that dream a reality. We can be extremely proud of what they have accomplished. Today, we are the world's oldest republic. We are at peace. Our Nation and our way of life endure. We are free.

All who come to Arlington this Memorial Day must reflect upon the sacrifices made by those continually brave Americans who lie in rest on these hillsides as beneath silent markers at Valley Forge, Gettysburg, and Pearl Harbor. Their courage won a revolution. Their bravery preserved our Republic. Their perseverance kept the peace and ensured a heritage of freedom.

It is through their sacrifice that we have a Bicentennial. It is through their sacrifice that we, the living, have inherited a sacred burden, a trust to honor the past by working for the future. Other nations have risen to great heights only to weaken in their resolve. We must not repeat their error.

A nation born of faith and carried forward by action requires from each of us a commitment to advance individual liberty and to maintain our guard against those who would threaten our freedom. Although we thank God that no Americans are dying in battle today, we must renew our resolve to use both our moral leadership and our material strength to keep the peace.

Over a century ago another President stood before America's fallen at Gettys-

burg and spoke words that have rung through the decades of our history. They are particularly appropriate today.

"It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave their [the] last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth."

Thank you.

NOTE: The President spoke at 11:30 a.m. at the Tomb of the Unknowns. In his opening remarks, he referred to Robert S. Sutphin, president of the Grand Army of the Republic Memorial Day Cor-

poration, Senator Robert Dole of Kansas, and Maj. Gen. Robert G. Yerks, Commander of the U.S. Military District of Washington.

545

Remarks on Signing the Second Supplemental Appropriations Act, 1976. *June 1, 1976*

Mr. Vice President, Mr. Minister, distinguished Members of the House and Senate, distinguished guests:

This supplemental appropriation bill and our signing today provides over \$12 billion to fund very important programs of all Cabinet departments and many other agencies during the remainder of fiscal year 1976 and the transition quarter.

Although the bill contains a number of undesirable increases in spending levels, it contains funds that are needed very quickly in areas including education, health, energy research, veterans' benefits, and including the United States' contribution to the new International Food and Agricultural Development Fund, a major United States initiative at the 1974 World Food Conference in Rome.

Of great importance, this bill contains \$25 million in disaster relief assistance, which I requested of the Congress on May 11 to help the Italian nation recover from the devastating effects of the earthquake of May 6. Let me express my deep appreciation to both Houses of the Congress for their prompt and favorable action.

At a time when natural disaster has brought such great tragedy to the people of Italy, Americans everywhere are moved to respond quickly and in the spirit of profound friendship between our two countries.

These disaster relief funds will give us the welcome chance to build on the assistance we have already been able to give. Almost from the moment the earthquake struck, United States Ambassador John Volpe and the United States military forces stationed in Italy were on the scene, making our initial assistance contribution.

On May 13 the Vice President and Daniel Parker, my special coordinator for international disaster assistance, went to Italy, at my request, to receive a first-hand report on the impact of the earthquakes and on the ways in which the United States could be of assistance. I received their report on May 17, and based on this information our specialists are now working with the Italian authorities to implement the most effective possible recovery program.

The ties between the American and the Italian people are very broad and very deep. Our hearts and hands go out to thousands who have been stricken and who have lost their loved ones in this tragic disaster.

I know that all here join me in the profound hope that the funds and assistance programs made possible by this legislation will enable the people of Italy to rebuild their homes and their towns and to place this great tragedy behind them.

We, the United States, 215 million of us, want to do everything possible to assist our good friend and ally at this time of great need.

MINISTER SERAFINI. I am deeply moved, Mr. President. On behalf of the Italian Government, on behalf of the people of Italy, on behalf of those people who were stricken by this calamity, I wish to convey to the people of the United States, to those Congressmen and Senators who took the initiative to raise all these funds, to you personally, Mr. President, our feelings of deepest appreciation and gratitude for this token of friendship and human solidarity.

I am sure that this money that has been collected here in the framework of our friendly relations will be instrumental in helping those people who just want to build up their homes and go back to work.

Thank you very much, Mr. President.

NOTE: The President spoke at 3:40 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to Marcello Serafini, Minister

of the Commercial Office of the Italian Embassy.

As enacted, the bill (H.R. 13172) is Public Law 94-303 (90 Stat. 597).

546

Letter to the Speaker of the House and the President of the Senate Transmitting a Report on United Nations Actions To Account for Americans Missing in Action in Southeast Asia. June 1, 1976

IN ACCORDANCE with Section 503 of the Foreign Relations Authorization Act, Fiscal Year 1976, I am transmitting to you a report on "Actions Taken by the United Nations to Obtain an Accounting of Americans Missing in Action in Southeast Asia." To fulfill the requirements of this section the United States Mission to the United Nations conferred with the Secretary General and his staff on the question of what action has been taken concerning the missing in action. The information on which the enclosed report is based was obtained as a result of their joint staff effort.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

The four-page report is entitled "A Report on Actions Taken by the UN To Obtain an Accounting of Americans Missing in Action in Southeast Asia, Pursuant to Sec. 503(b) of PL 94-141."

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**Remarks of Welcome to King Juan Carlos of Spain.
June 2, 1976**

YOUR MAJESTIES, on behalf of the American people I take great pleasure in welcoming you to the United States. Your first visit as King and Queen of Spain to the United States renews the historic and deep ties between our two countries.

Nearly 500 years ago Spain was a leader in the great age of exploration that opened this continent to settlement and to development. Now, in this Bicentennial Year the people of Spain and America can recall with pride a group of brave Spaniards led by Bernardo de Gálvez, who helped 200 years ago in our struggle for national independence.

In 1776 Gálvez, then Governor of Louisiana, provided needed arms and supplies to those struggling for freedom in the American colony. Later, his expeditions near Pensacola, Mobile, and Natchez helped to keep the Mississippi

River and the Gulf of Mexico open, protecting the southern and western flanks of the Americas.

The formal entrance of Spain into our war of independence in 1779 brought valuable support to the American cause. The city of Galveston, Texas, today honors the name of Bernardo de Gálvez. The city of Washington soon will have a statue of Gálvez, a generous Bicentennial gift of the Spanish people, to commemorate the contribution of this gallant Spanish soldier-statesman to the independence of the United States.

The understanding and traditional friendship between our two countries continues to endure. Today, we look forward to even closer cooperation with Spain.

I last visited Spain just over a year ago. I was deeply moved by the warm welcome accorded by the Spanish people and particularly by you, Your Majesties.

Since then great changes have taken place. Your country has entered a new era under your wise and able leadership. It holds great promise for the future of Spain and for the western community of nations. I am confident that your leadership will prove more than equal to the great task ahead and that the promise of the future will be fulfilled.

Both of our countries today face very complex challenges. We look to our own future with confidence, and we take great confidence from the assurance that the Spanish people will meet these challenges with the qualities they have shown in their long and illustrious history—courage, dignity, strength, and pride.

Our bilateral relationship, as confirmed in the recently concluded Treaty of Friendship and Cooperation, is excellent. I stated last year and I reaffirm today that Spain, through its bilateral defense cooperation with the United States, makes a major contribution to the Western World. We are agreed on the interests of our two countries, share in common objectives and common burdens promoting the prosperity, security of the Atlantic and Mediterranean region.

We are very proud of our historic ties with Spain. We are encouraged by Spanish progress under your leadership. We look forward to building and strengthening our relationship. Your Majesties, I am privileged to extend to you the sincere welcome of the people of the United States.

NOTE: The President spoke at 10:43 a.m. on the South Lawn at the White House, where King Juan Carlos of Spain was given a formal welcome with full military honors.

King Juan Carlos spoke in Spanish. His remarks were translated by an interpreter as follows:

Mr. President, Mrs. Ford, the Queen and I thank you most sincerely for your invitation, for your hospitality, which at this moment we are beginning to enjoy, and for your words of welcome.

Mr. President, I should like you to consider this visit—the first we have made overseas since my

proclamation as King of Spain—as a proof of our personal interest and a confirmation of the affection and friendship that the Spanish people feel toward the United States of America.

It is, for the Queen and myself, very gratifying that this visit should coincide with the celebration of the Bicentennial of the independence of the United States. It rounds off, so to speak, the part that Spain has wished to play in the ceremonies of this commemoration which will enable the American people to assess the importance of the assistance that Spain gave to their country's struggle for independence and will make them show, I hope, an even greater interest in the history and in the present of Spain.

Our two countries are bound by so many ties that it may well be said that in a certain way your history and geography have been, to a large extent, ours too. This explains the numerous invitations which the Queen and I have received as a result of our visit to the United States and which, unfortu-

nately, it has been physically impossible for us to accept. Allow me, Mr. President, to take advantage of this opportunity to place on record our gratitude for these kind invitations.

The time of transition that the world is living through demands clarity of thought, a firm purpose, a resolute acknowledgement of the supremacy of spiritual values, and a constant exercise of the virtue of prudence, a virtue which is so particularly extolled in your Declaration of Independence. But this objective could not be achieved without the certainty of being able to rely, should the need arise, on the many benefits derived from all good friendships.

At this moment my greatest wish is that our visit should contribute to reinforcing these bonds of friendship between us for the good of our two countries and all those who aspire to attain the same ideals of faith, freedom, and justice.

Mr. President, once again receive our sincerest thanks for your invitation.

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Special Message to the Congress Transmitting Recommendations To Extend Waiver Authority to Romania Under the Trade Act of 1974. June 2, 1976

To the Congress of the United States:

In accordance with section 402(d)(1) of the Trade Act of 1974, I transmit herewith my recommendation that the authority to waive subsections (a) and (b) of section 402 be extended for a period of 12 months.

This recommendation sets forth the reasons for extending waiver authority, and for my determination relating to continuation of the waiver applicable to the Socialist Republic of Romania, as called for by subsections (d)(1)(B) and (d)(1)(C) of section 402 of the Trade Act. I include, as part of this recommendation, my determination that extension of the waiver authority, and continuation of the waiver applicable to the Socialist Republic of Romania, will substantially promote the objectives of section 402.

GERALD R. FORD

The White House,
June 2, 1976.

NOTE: The text of the recommendation is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 991).

549

Toasts of the President and King Juan Carlos of Spain at a Dinner Honoring the King. June 2, 1976

Your Majesties, Your Excellencies, distinguished guests and friends of the United States and Spain:

We are deeply honored this evening by the presence of Your Majesties, the King and Queen of Spain, and I say that on behalf of all of the American people. As representatives of the people of Spain, you are always welcome in our country, and you are especially welcome in this our Bicentennial Year.

The contributions, we all know in America, of the people of Spain to the New World are to be found throughout our entire country. The Spanish explorers ventured into the uncharted wildernesses of our continent long before the independence of the United States. Many, many American towns and cities, Your Majesty, bear Spanish names. Much of our architecture reflects the distinctive quality of Spanish artistry. Many thousands of American families proudly bear names reflecting their Spanish ancestry.

Your Majesty, we recognize the hand, the heart, and the spirit of Spain in the United States. Our Bicentennial prompts us to pay full tribute to the important role that Spain has played in our development in this country. But our celebrations focus our attention really toward the future as well as to the present.

As we enter our third century in the United States with the highest expectations for America's future, we have the same very high expectations as far as Spain is concerned, particularly under your leadership. This is of great importance bilaterally. It is even of greater importance to have the shared objectives of the nations to the west. All Americans wish you the very, very best in the course on which you are embarked.

In 1953 the United States and Spain embarked on a relationship designed to further the cooperation and the security of our two peoples. Over the past quarter of a century, our nations have benefited very measurably by this relationship.

Our joint determination to build on and to strengthen this cooperation today is clearly stated in our new Treaty of Friendship and Cooperation. On the occasion of your most welcome visit, our nations enjoy a growing and a better relationship. Our relationship has broad support among the American people and, as you found today when you appeared before the Congress, among the

Members of the House as well as the Senate. Through closer ties and greater cooperation there is much that our two nations can do to safeguard the peace and to surmount the new challenges of an increasingly interdependent world—such common problems as economic progress, energy, and the environment.

We must provide for our people the benefit of peace, prosperity, and freedom. I know of your own personal, confident vision of Spain's future role in our transatlantic community.

In 1492, Your Majesty, Columbus claimed America for a Spanish King and Queen. Today, nearly 500 years later, a King and Queen of Spain have come themselves to America not to claim it—[*laughter*—]but to join with us in affirming the common ideals which make all of us citizens of the Western World.

The American people are very proud to have you visit with us on this occasion. Your Majesties, I lift my glass to you, to the Spanish people, and to the friendship of the United States and Spain.

NOTE: The President spoke at 10:11 p.m. in the State Dining Room at the White House.

King Juan Carlos spoke in Spanish. His remarks were translated by an interpreter as follows:

Mr. President, Mrs. Ford, ladies and gentlemen:

Thank you most sincerely for your words, Mr. President. I, too, bring you a message from my people, who love and respect yours, who for 200 years have been living an independent existence. In the American nation you represent, we admire a series of qualities that are especially characteristic of it, for example, the respect for the individuality of man and the right each one has to live and act freely according to the dictate of his own conscience, and the deep sense of equality that appears in the documents on which your country was founded.

In the United States you have achieved an open society where opportunities are offered to the initiative, talent, and ingenuity of each individual, a fact that has resulted in the ever-increasing growth and prosperity of your country's economy and wealth. In 200 years you have converted your Nation into the leading political and military power of the world, and this has led you to assume a prominent share of the responsibility for international order.

But you have never forgotten the spirit of '76, the aims of the Founding Fathers at Philadelphia. Your Constitution, wisely balancing the different sources of power, allows the people to elect their rulers democratically so that they may exercise their power with the consensus of the governed

and under the rule of law. This is a philosophy of public life which you have not only maintained throughout 200 years, without hardly ever having had to amend the Constitution that Burke called the masterpiece of the human mind, but also you have made it work, adjusting it to the demands of modern life, of the industrial democracy of the masses, and of the numerous contradictory and sometimes violent currents which flow together today in a free society—one which finds itself, as yours does, at the head of technological progress.

When they contemplate this abiding historical phenomenon of your Constitution, drawn up at the end of the 18th century, many people wonder with interest what can be the fundamental motive for such a long vitality in a political document. Personally, I believe that the strengths of your constitutional text lie in the profoundly religious principles that inspire them. Without a reference to a divine power, there would be no sense in the moral importance you attach to the liberty of the individual and his responsibility in the exercise of a democracy. Without that appeal, human political society would lose the cohesion that keeps it together. And it is often because those principles were not respected that so many political regimes in the Old World, which took their inspiration from your model, did not survive for any length of time.

"In God We Trust" is your foundational motto. Spain, the Spanish people, and the monarchy I represent also trust in God. May He make of our close cooperation and friendship in every theme a pact of peace and a pact for peace among the

people of the world. May our friendship be sincere and founded on just and equitable reciprocity.

Mr. President, I lift my glass for your personal

health and for the friendship between Spain and the United States and for the people of the United States of America.

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Remarks Announcing Plans for an Economic Conference in Puerto Rico. *June 3, 1976*

I AM pleased to announce this morning that the leaders of six other major, industrialized nations have accepted the invitation of the United States to attend a summit conference later this month.

The conference will be held June 27 and June 28 in the Commonwealth of Puerto Rico. In addition to the United States, Canada, France, West Germany, Italy, Japan, and the United Kingdom will be represented.

I have invited them to participate in this meeting because it is vital that the leaders of the industrialized democracies continue a process of close consultation as well as cooperation on the broad range of challenges as well as opportunities in all fields of common interest.

In the past, world leaders have met to deal with crises, but today's complex problems require that leaders meet to avoid them.

Last fall when we met in Rambouillet, France,¹ we agreed to extensive cooperation in order to sustain the economic recovery. This has meant less inflation and more jobs for millions and millions of people throughout the world.

Now we must meet again to chart a course that will keep the recovery moving forward at a healthy and sustained rate. There will be many other subjects of international significance on the agenda in Puerto Rico, including financial, monetary, and trade issues. But the issue at the heart of the discussions is to determine what our nations can do, working together, to create a more prosperous and secure future for all of our citizens.

Thank you.

NOTE: The President spoke at 11:13 a.m. in the Briefing Room at the White House.

¹ See 1975 volume, Item 680.

551

Remarks at a Meeting To Discuss General Revenue Sharing.
June 3, 1976

Mr. Speaker, Mr. Vice President, Governors, mayors, Members of the Congress:

This meeting was called at the suggestion of the New Coalition, which is composed of Governors, mayors, and other locally elected officials because of their concern as to the status of general revenue sharing. I have been concerned, as I think all of you know, because the date is getting very close at hand when the present legislation expires on December 31, 1976.

In the meantime, Governors, mayors, and other locally elected officials have a serious problem of determining what they can include or what they can't include in their budgets that must be submitted to their constituents. I have talked to Members of Congress on both sides of the aisle, talked to the leadership of both the House and the Senate. Time is running short. And so I am delighted to have this opportunity of bringing the Governors and mayors and others together with the Members of the House, the leadership, Democratic as well as Republican, to determine how quickly we can act and what kind of legislation we can expect.

If legislation is not enacted, the Governors as well as the mayors and others will be faced with making decisions—either they have to increase local taxes or they have to cut back services. It seems to me, the better solution is to get an extension of our general revenue sharing legislation which was first enacted in 1972 and, under the proposal I made, would extend for another $5\frac{3}{4}$ years.

Time is running short. I hope that out of this meeting we can come to some agreement as to what can be done and how quickly it can be done.

I am familiar with the fact that the House Committee on Government Operations has concluded its deliberations and has gotten a rule to proceed next week, I understand. But it's anticipated, or I would hope it's anticipated, it would be on the floor very quickly.

In conclusion, I would simply emphasize the need for action and the kind of action which would extend the present law to the maximum degree, both as to dollars and as to time. I thank you all for being here.

Mr. Speaker, would you like to make a statement?

SPEAKER CARL ALBERT. We have put it down subject to a rule for Wednesday next.

THE PRESIDENT. That would be good.

Bob, would you like to make a statement?

GOVERNOR ROBERT D. RAY OF IOWA. Mr. President, I want to, first of all, thank you for honoring our request. The New Coalition is comprised of the groups that you mentioned—the Conference of Mayors, the National Conference of State Legislators, the National Association of County Officers, the National League of Cities, and the National Governors' Conference. And the people who have been working in this area in these respective organizations asked if it would be possible to meet with you and the leadership of the House, because it is of great concern to their membership and the people from these various organizations.

We are greatly concerned about the time—and, Mr. Speaker, that's good news for us. And we are also concerned about the period of time that revenue sharing will be continued, because 1 year, for instance, would just create havoc and chaos for us who tried to administer State government and local government.

So, these are the two main points that we would like to make. And we, of course, are very appreciative of your leadership in this area. But likewise, we had a good meeting with the leadership, the Democratic leadership on the Hill, back in February, and we are most appreciative of that, also.

But that's the purpose of our desire to meet with you, and we certainly want to say thank you for giving us the time and discussing with us. And if there is any way we can impress upon people the importance of revenue sharing for us who are in our States and in our cities and in our counties, we certainly would like to do that. And these people represent those organizations. I am sure that if we've got a few minutes they would like to have an opportunity to be heard.

THE PRESIDENT. I think it might be helpful to call on the Vice President. In 1972 he was in the forefront of getting the basic legislation enacted, and of course, he is really the only representative of the Senate here today.

Mr. Vice President, would you wish to make any comment?

VICE PRESIDENT ROCKEFELLER. Well, first I can assure you if it's a tie vote, I will vote favorably.

Secondly, you made most of the points, Mr. President. There are two, I think, that are important. One is that the Federal Government is the large collector of income tax revenues, and they are the fast-growing revenues. Many States don't have income taxes, and they have real estate taxes and sales taxes which don't grow as rapidly, so that the Federal Government has a revenue that's growing more rapidly, and this is one reason.

The other reason is a philosophical one; namely, the concept of a Federal system of Federal, State, and local governments. With the categorical grants now, 1,007 local government—that's State and local governments—are losing the kind

of flexibility which they have had traditionally to be responsive to their own constituents. They are bound by legislative regulations, administrative regulations on these hundreds and hundreds of programs, so that that flexibility is lost.

Revenue sharing gets around that and does give flexibility, which I think is part of our tradition as a form of government. So, I think it's tremendously important to have this. I think the experiment has been extremely useful, and I am delighted with what everyone here is doing to reenact this legislation.

Thank you.

NOTE: The President spoke at 2:55 p.m. in the State Dining Room at the White House.

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Remarks and a Question-and-Answer Session With Reporters Following a Meeting on General Revenue Sharing. *June 3, 1976*

I THOUGHT it would be helpful to give you a report in part on the meeting that we held this afternoon. Many of you were there at the outset. The meeting, of course, was called, as I indicated, at the request of the New Coalition, composed of the Governors, the city officials, county officials, and others in order to convince the Members of the House of Representatives on both sides of the aisle, the need and necessity for general revenue sharing.

The meeting did indicate that the legislation would be on the floor of the House most likely next week. There are some serious differences of opinion, differences that I hope can be worked out. The question was asked: Would I support the bill that came out of the full Committee of [on] Government Operations? And I said it was drastically different than the legislation I had recommended, and I would have to reserve judgment as to whether or not I would sign it, depending of course on what the final version was.

It is a very serious matter that involves local services. It involves State taxation and local taxation. I was pleased to be on the side of those who have faith and trust in the Governors of our various States, the mayors of our cities, and the county officials. Whether they are Democratic or Republican, I think they can do a good job. It is my hope and trust that the Congress will respond with good legislation.

Bob, do you want to add anything?

GOVERNOR ROBERT D. RAY OF IOWA. I might just add to what the President said that we were very pleased that the President responded as he did and

invited us, the members of the New Coalition, to meet with him and the Members of the House of Representatives. I think again we found that there is much more resistance to revenue sharing in Congress than we would ever dream possible coming from our States and our local communities, because there—in some 39,000 communities where revenue sharing is so important—we get the feeling that it is the right thing. And we have great faith that the money is being used and would be used, continue to be used, in a wise fashion.

Then we come back here, and we find Congressmen who want to add restrictions and limitations and all of the things that we are trying to get away from in this small amount of money that goes back to the local communities. So, I think the meeting was worthwhile from perhaps the benefit of both us and Members of Congress. I can't, of course, speak for them, but at least they know that we feel this is extremely important. And we heard people say that undoubtedly taxes would have to be raised on the local level if we don't get revenue sharing. In most communities around this country, property taxes are very regressive and are a great burden, and that is very frightening. And they would have to raise property taxes because revenue sharing would stop and cease to continue.

QUESTIONS

REPORTER. Governor, what kind of a deadline do you have? When do you think you should know if there is going to be revenue sharing or not?

GOVERNOR RAY. Well, in a sense one deadline is almost past and that is that most legislatures now have adopted some kind of a budget. If we don't get it soon, of course, I think in some jurisdictions they are going to have to look to how they are going to raise more taxes.

We felt there is a deadline now—and this meeting is very timely—because we understand that if something does not happen and it doesn't come out soon, they will get into the appropriation bills, and it is very difficult for this to find a spot on the calendar.

Q. Is there any assurance that both party platforms will include revenue sharing as it is now?

GOVERNOR RAY. I don't think there is any assurance that anything will appear in either party platform on any subject. But I think both parties are certainly in favor of revenue sharing, and I would expect them to deal with it, particularly if something happens that does not come through this Congress. We just deem it extremely important.

Q. Mr. President, did your objections to the House Government Operations Committee bill go beyond the time and the dollar amount?

THE PRESIDENT. My objections are the short time. I think it ought to be extended for $5\frac{3}{4}$ years. I think the provision that existed in the present general revenue sharing legislation for the handling of the financing is the right approach. It was pointed out in a meeting by Governors as well as mayors that if we went through the regular appropriation process it would be very, very difficult for them to handle the prospect or the lack of prospect of money in the future.

In addition, it seems to me that I recommended the growth of \$150 million a year, which takes into account the inflationary aspects that we would anticipate each year for the next $5\frac{3}{4}$ years. The full committee bill does not provide for any growth. It, in fact, freezes the amount at the present level. So, there are other objections besides the two that you mentioned.

Q. Mr. President, just as Jack Brooks got up to speak, our microphones went dead down here. We did not hear what he had to tell you.

THE PRESIDENT. I think Congressman Brooks' views are well known. He has been against general revenue sharing; he was in 1972; he is opposed to it in 1976. So, I don't think you needed any amplification of Congressman Brooks' views. He holds them very strongly, and we respect them. We just think he is wrong.

Q. Mr. President, how important was this meeting in your strategy to secure a revenue sharing bill that you think is a good bill?

THE PRESIDENT. I think it was very important because the request for the meeting came from the New Coalition, which indicates their concern. And it gave me an opportunity to put in the same room the people who are strongly urging the extension of the legislation, as I recommended it, and some of the people in the Congress who either want to cripple it or defeat it altogether.

Q. Mr. President, may I ask you a question? Are you displeased with what Mr. Reagan has purportedly said about possibly getting involved in Rhodesia, possibly sending troops to Rhodesia? How do you feel about that?

THE PRESIDENT. I feel that it was responsible for me to send the Secretary of State to southern Africa to try and negotiate the settlement of those problems. They are serious, and it was far more responsible for me to send our Secretary of State there, as I did, to solve those problems by negotiation rather than to threaten or to indicate the possibility of sending American troops to southern Africa to settle the problem.

Q. So, you disagree with Governor Reagan?

THE PRESIDENT. I would say yes, I do, if what I understand he has said is his personal viewpoint. I believe that the action that I took to send the Secretary of State to southern Africa to settle those problems by negotiation is the responsible thing to do, and that is why I did it. And any indication that a President might send troops to southern Africa—American troops—I think is irresponsible.

Q. How does that differ from your statement in the campaign that you would provide absolute guarantees to protect minority rights in Rhodesia?

THE PRESIDENT. I think we can take care of that by negotiation.

Q. You weren't talking about sending troops when you were talking about absolute guarantees?

THE PRESIDENT. That is correct.

Q. Is Mr. Reagan's rhetoric dangerous?

THE PRESIDENT. I would not want to comment on his rhetoric, I simply wanted to indicate that my view was different from his.

Q. He said something about using American troops as a possible peacekeeping force as they might be in the Middle East. How do you feel about that?

THE PRESIDENT. I haven't seen that comment by him, but I don't believe that it is necessary to involve U.S. troops in southern Africa. I think we can accomplish the necessary solution to those problems by skillful diplomacy, and that was the purpose of my sending the Secretary of State to southern Africa.

Q. Has there been any results of his mission there?

THE PRESIDENT. I think they have been very constructive.

REPORTER. Thank you, gentlemen.

NOTE: The President spoke at 4:15 p.m. on the North Grounds at the White House.

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Toasts of the President and King Juan Carlos of Spain at a Dinner Honoring the President. *June 3, 1976*

Your Majesties, Your Excellencies, distinguished guests, friends of Spain and the United States:

We thank you very much, Your Majesty, for your very kind words and your thoughtfulness on behalf of Mrs. Ford and myself and the American people.

Mrs. Ford and I are deeply honored and very pleased to join you here in your embassy this evening and to enjoy your gracious hospitality and the unique gifts of the Spanish culinary art.

Spain contributed much, as we all know, to the building of our country and

our cultural heritage. The 16 States that you mentioned are deeply indebted to their Spanish background. Those of us who were not fortunate enough to come from those 16 States feel somewhat neglected. [*Laughter*]

Explorers from your country, Your Majesty, sailing under the Spanish flag discovered this continent. Among the people of Europe who risked their lives to come to the aid of our newborn Republic were gallant Spanish soldiers as well as Spanish sailors. The early Spanish explorers left a very deep and permanent cultural imprint on America. They brought printing presses and universities to the New World.

We see the Spanish heritage in St. Augustine, the oldest permanent European settlement in America, in countless missions in the Southwestern part of our country, in regional festivals and, yes, even in rodeos. Spanish influence is reflected in our culture and even the common law of some of our Southwestern American States. Throughout America millions of citizens speak the Spanish language. Many of our television and radio stations transmit the language as well as the heritage of Spain.

In this century, for nearly 25 years Spain and the United States have stood together to meet the challenges confronting the Western World. We have built a strong and very harmonious relationship. The importance of our relationship, I think, is reflected in the recently concluded Treaty of Friendship and Cooperation. This treaty recognizes the important contributions of Spain to the defense of the West. It opens the way to the improved defenses and our cooperation between ourselves.

This treaty also marks the increasing cooperation between the Spanish and the American peoples in a growing number of fields ranging from urban development to energy to the arts to agriculture as well as to education.

As we pay tribute to the past and to the present, we look to the future. In man's exploration of the unknown we have moved from the age of the sail and horseback to the age of space.

Your Majesty's interest in America's space program is well known by all of us in our country. It is indicative not only of the common interests that we share but of the forward-looking qualities you have brought to the leadership of Spain. These qualities will serve both of our countries very well.

And let us build on our bilateral relationships and work together to increase the ties of friendship as well as cooperation between the United States and Spain.

I have no doubt of the increasingly important role Spain will play in the

world and particularly in the West. Spain is a part, geographically as well as historically, of Europe and the transatlantic community.

Your Majesty, in your remarks upon arrival at the White House yesterday you expressed the wish that your visit would contribute to reinforcing the bonds of friendship between us for the food of our two countries and all those who aspire to obtain the ideals of faith, freedom, and justice. Speaking for all here, I would assure you beyond any doubt that your wish has been realized. Our discussions at the White House, your address to the United States Congress, and your participation, together with your gracious Queen, in our Bicentennial celebration has marked improvement, has significantly improved and helped immeasurably and is a milestone in the relations between our two countries.

We wish you well as you continue your visit tomorrow to New York City, and we look forward to your next visit to Washington, which we hope and trust will be very soon.

Your Majesties, I propose a toast to you and to all of the Spanish people and to our continuing friendship and good relations.

NOTE: The President spoke at approximately 9:50 p.m. at the Spanish Embassy in response to the following toast proposed by King Juan Carlos:

Mr. President, Mrs. Ford, both the Queen and I wish to express to you our deep gratitude for all the kindness we have received during our short stay in your capital. The hours we have lived in this city, where one feels the throb of the world's pulse, have been fascinating, indeed.

When yesterday morning I addressed Congress in a memorable Joint Session, and I saw in front of me the distinguished Members of the Senate and of the House of Representatives, I thought about the vast historical treasure of our common heritage.

Mr. President, I can't help if I am breaking what protocol means, I would like to go on with my speech in English.

For, in effect, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Missouri, Iowa, Minnesota, Arizona, Colorado, Utah, New Mexico, California, Oregon, and Texas—that is to say, 16 of the 50 States of the Union—were lands discovered, traveled over, occupied, or civilized to a greater or lesser extent by Spain and belonged at one time to the Spanish crown, but not any more.

Forgive me, Mr. President, for listing these States one by one. I only do so out of genuine pride. The placenames of thousands of cities, mountains, valleys, and rivers of this beautiful America still reflect the traces of our forefathers—conquerors or missionaries who have left their words, their names, their churches, and their missions and almost always their ashes to be merged into the future destiny of your great country before it was born. How can I not be moved as King of Spain, moved and satisfied to have visited you on my first official trip abroad.

Mr. President, this visit of mine is necessarily short against my will. Once again, thank you.

We hope to see you one day, in the not too distant future, in our country that you already know. The hundreds of thousands of Americans that go to Spain every year are welcomed as sincere and openminded friends, who, as soon as they set foot there with their fresh spontaneity, give us a breath of independent thought and a token of truly heartfelt friendship.

Mr. President, I would like to raise, ladies and gentlemen, my cup to the health of President Ford and Mrs. Ford and for the friendship between Spain and the United States of America and the people of both countries.

Mr. President.

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**Remarks Upon Receiving an Original Copy of the Magna Carta
From a Delegation of British Parliamentarians. June 4, 1976**

FIRST, LET me extend a very warm welcome to our British friends to the White House as well as to the Rose Garden. And we certainly want to express, on behalf of all of the American people, our gratitude and appreciation to the United Kingdom and the Parliament for loaning to the United States, for a period of 1 year, one of the four original copies of the Magna Carta. It is very appropriate, I think, that it will be displayed in the Rotunda of the United States Capitol, where the American people will have an opportunity to see firsthand this very historic document.

The Magna Carta, as we all know in this country as well as in Great Britain, is revered by free people everywhere. It is basically the foundation of our deep-seated beliefs in this country, in the right of freedom for all people. And we are proud of the fact that our own Declaration of Independence, to a very substantial degree, carries on the great principles and traditions of the Magna Carta. And without our Declaration of Independence, of course, perhaps this country never would have come into being.

So, I do wish to express, on behalf of 215 million Americans, your generosity in letting us have for a period of 1 year this very historic document. And I should say in addition, all of us in this country are looking forward with great anticipation to the visit of Her Majesty Queen Elizabeth. It will be an historic event in not only the history of this country but certainly in our Bicentennial Year. And we hope and trust that the visit of the Queen will be one of the great events in our Nation's history.

Thank you very much.

NOTE: The President spoke at 9:05 a.m. in the Rose Garden at the White House.

The British delegation consisted of Lord Elwyn-Jones, Lord High Chancellor, Lord Shepherd, Lord Privy Seal, The Right Honorable George Thomas, Speaker of the House of Commons, and Sir Thomas Williams, QC, MP. Sir Peter Ramsbotham, British

Ambassador to the United States, Representative John J. Rhodes of Arizona, and Speaker of the House Carl Albert also attended.

Lord Elwyn-Jones' response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 999).

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Remarks and a Question-and-Answer Session With Reporters on the Economic Statistics for May. *June 4, 1976*

GOOD MORNING, everybody. How are you all this morning?

This is a particularly delightful day with this good Washington weather, but we also have some excellent economic news which was released as of 10 o'clock this morning. The Wholesale Price Index dropped about a half of a percent. The figure for the month of May is .3, or three-tenths of 1 percent, a drop from .8 of the last month. This is extremely significant because it indicates that our battle against inflation is really making headway and that the figure of last month was an abnormal rise.

Also encouraging was the fact that the unemployment figure dropped from 7.5 to 7.3. And even more importantly, we had another 300,000 added to the job rolls. So, we have a figure now for the month of May of 87,700,000 people gainfully employed, again an alltime record in the history of the United States, which means that in the last 12 months we have added 3,300,000 more jobs for people in the United States.

So, these two figures should encourage the American people that the administration's anti-inflation, job-providing program is a good one, and we have made significant headway, and we expect to continue.

Thank you all very much.

QUESTIONS

REPORTER. Mr. President, you have been warning that the inflation rate couldn't be kept as low as it had been earlier this year. Now do you feel that possibly it can be?

THE PRESIDENT. I am very encouraged, because as you will recollect in our economic program and in our budget message, we anticipated for the Consumer Price Index that toward the end of the year it would be, as I recall, 6 percent. But if you annualize the first 5 months of this year, it's considerably below that for the Wholesale Price Index. And if the Wholesale Price Index is better than we anticipated, obviously it will have a very good impact on the Consumer Price Index.

And again, in the case of unemployment, as I recall the figure, we forecast that by the end of calendar year 1976, it would be in the range of 7 percent. Well, we have made significantly better progress in that regard than we anticipated.

So, whether it's on the unemployment or whether it is on the employment figures or on the battle against inflation, the administration's program is working.

Q. Does this good news economically translate into political capital for you—say, California, Ohio, and New Jersey—or is it more apt to work in November to your advantage?

THE PRESIDENT. I think it may have an impact on both. We certainly hope so, because it proves what we said a year ago—that if we did what we have been doing and not what some of the prophets of doom and gloom told us to do, obviously the record is good and it's going to get better.

Q. Are you concerned, sir, about the Field Poll which shows you 24 points behind in California?

THE PRESIDENT. It doesn't seem to coincide with some of the information that we have gotten from our telephone banks and information we have gotten from others. I don't know when the Field Poll was taken, but I have talked to a few people who have been manning phone banks in California, and other people have reported to me that there seems to be a shift from the undecided—which is a very large number in California—more to our side than to my opponent's. So, although the Field Poll is not good news, we have other good news that I think is very encouraging.

Thank you all very much. Have a good day.

REPORTER. Thank you, Mr. President.

NOTE: The President spoke at 10:23 a.m. on the South Lawn at the White House.

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Statement on the Observance of World Environment Day. *June 4, 1976*

ON WORLD Environment Day, the people of the United States join other peoples and governments of the world in reaffirming our concern for the preservation and enhancement of the global environment. This day, established 4 years ago at the United Nations Conference on the Human Environment in Stockholm, Sweden, celebrates the principles adopted there.

This year we take special note of the second principle of that Conference, which urges conservation of the natural resources of the Earth for the benefit of present and future generations. We must seek with other peoples of the world the best means for reaching a balance between the resources of nature and the human population.

The growing world population will put an increasing strain on the resources of our planet. The United States will continue, along with other donors and international organizations, to assist worldwide efforts to carry out the recommendations of the World Population Plan of Action approved at the World Population Conference in Bucharest in 1974.

Other resource problems require urgent attention. For example, tropical forests are being threatened by the pressures of population and industrial demand. We call upon the countries of the world to cooperate in conserving this life-sustaining resource.

The problem of adequate and safe water resources is significant throughout the world. It is fitting that this problem will be the subject of a special United Nations Water Conference to be held in Mar Del Plata, Argentina, in 1977. A United Nations Conference on Decertification later that year will seek solutions to the spreading problem of arid lands. Increased demands for fresh water from agriculture, industry, and growing populations force the people of the world to seek solutions together to critical water problems.

As we celebrate World Environment Day, the United Nations Conference on Human Settlements is meeting in Vancouver, Canada. Representatives of nearly all the people on Earth are assembled there to consider the quality of the human environment in its broadest perspective, to deal with those forces which bear on the quality of life for individual human beings. We wish the Conference the greatest success.

On this occasion we also reaffirm our support of the United Nations Environment Program (UNEP). We place particular importance on UNEP's Earthwatch program to assess trends in the Earth's environmental quality, and will continue to develop and coordinate effective U.S. participation in Earthwatch.

As we look forward to our third century as a nation, we must keep a global perspective. We must recognize the inescapable interdependence of human beings and the dependence of all on the fragile planet we share.

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Statement Announcing the Recipients of the National Medal of Science Awards for 1975. *June 4, 1976*

THE National Medal of Science is the Nation's highest award for outstanding achievement in science and engineering. I am most pleased to announce

the selection of 15 outstanding Americans who are designated as the 1975 recipients of this award.

The records of discovery, contribution, and service to the Nation of these medalists demonstrate the diversity and strength of our Nation's scientific and engineering endeavors. The winners have contributed to the fundamental understanding of our natural environment in both the world and universe in which we live. Their accomplishments include dramatic contributions to increased productivity in agriculture and improvement of human health. Their research in mathematics and its applications have revolutionized our methods of conducting research and our utilization of computer technology in operations and systems research. New sources of energy have been derived from the fundamental research undertaken by other recipients.

In short, the contributions of these 15 distinguished people are a useful reminder to all of us how valuable it is to maintain a strong national effort in research and development. I am committed to the belief that a vigorous effort to discover and apply new knowledge will keep our Nation strong.

I have selected the following people to receive the 1975 National Medal of Science:

JOHN W. BACKUS, of San Francisco, Calif.
MANSON BENEDICT, of Weston, Mass.
HANS A. BETHE, of Ithaca, N.Y.
SHIING-SHEN CHERN, of El Cerrito, Calif.
GEORGE B. DANTZIG, of Stanford, Calif.
HALLOWELL DAVIS, of St. Louis, Mo.
PAUL GYORGY (posthumous award).
STERLING BROWN HENDRICKS, of Silver Spring, Md.
JOSEPH O. HIRSCHFELDER, of Madison, Wis.
WILLIAM H. PICKERING, of Pasadena, Calif.
LEWIS H. SARETT, of Skillman, N.J.
FREDERICK E. TERMAN, of Stanford, Calif.
ORVILLE ALVIN VOGEL, of Pullman, Wash.
E. BRIGHT WILSON, JR., of Concord, Mass.
CHIEN-SHIUNG WU, of New York, N.Y.

I look forward to meeting with these distinguished Americans and with the family of Dr. Gyorgy at the White House in the near future.

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Statement on Signing the Small Business Omnibus Bill.*June 4, 1976*

I AM today signing S. 2498, an omnibus bill which affects a number of Small Business Administration (SBA) programs. I strongly favor many provisions of this bill which will immediately help small businesses. For example, increases in the maximum loan limit per borrower for certain SBA business loan programs are needed to compensate for the higher cost of capital plant and equipment.

While, on balance, I favor this bill, three parts of this legislation trouble me.

First, section 102 would authorize the SBA to guarantee small business leases of pollution control facilities from State or local public bodies. To finance these facilities, State or local authorities would issue tax-exempt obligations secured by the SBA-guaranteed lease.

I have consistently opposed the combination of a Federal guarantee and a tax-exempt security. And Congress, over the past 6 years, has also recognized this problem by enacting at least 12 separate statutes which preclude guarantees of tax-exempt securities. The combination of Federal guarantees with tax-exempt bonds increases the revenue loss to the U.S. Government while primarily benefiting the high-income purchasers of these bonds rather than small businesses.

In addition, the provision of a Federal guarantee of tax-exempt bonds creates a security which would be more attractive in the capital markets than direct obligations of the U.S. Treasury. Also, Federal guarantees of tax-exempt obligations add to the pressures on the municipal bond market by creating a security which is superior to all other tax-exempt securities issued by States and local governments. The result could be higher borrowing costs for States and local governmental units, which must finance schools, roads, hospitals, and other essential public facilities.

I share the congressional concern that small business needs Federal assistance to comply with pollution control requirements. But this is not the best way to do it. A better way to provide small business with access to financing for pollution control facilities is through the SBA's water and air pollution control loan programs. Although these relatively new programs have been adequately funded in fiscal years 1976 and 1977, small business has not yet had the opportunity to use them fully. I am therefore directing the SBA to take prompt and vigorous action to ensure that these loan programs are made fully accessible to the small business community by working with the Environmental Protection Agency

(EPA). They will work to reduce the loan processing and certification time, clarify and promote the purpose of the program, and to provide necessary technical assistance.

I am also requesting that the EPA devote special attention to pollution regulations which the small business community believes excessively burdensome or inequitable. The EPA has already promulgated less stringent effluent guidelines for small plants in several industries—including dairies, electroplating, leather, seafoods, textiles, meat processing and rendering.

These actions should help to alleviate the adverse impact of pollution regulations on small business finances. I hope that the Congress will recognize that this problem can be corrected without resort to the extraordinary authorization of Federal guarantees for tax-exempt pollution control bonds. I urge the Congress to review this guarantee program promptly along with an examination of the growth of industrial revenue financing—an issue which is of much concern to municipal finance experts.

My second concern is with section 112, which makes all small agricultural enterprises eligible for financing and management assistance from the SBA. Despite widespread congressional concern about overlapping and conflicting Federal programs, this new SBA program is quite similar to that of the Department of Agriculture. The Department of Agriculture, through the Farmers Home Administration and the Farm Credit Administration have ample legal authority to extend financial assistance to small agricultural enterprises. I am directing the SBA and the Department of Agriculture to insure that the overlap inherent in their credit programs minimized.

The legislative history of S. 2498 indicates that Congress is concerned with the difficulty which small agricultural enterprises often have in obtaining loans from the Farmers Home Administration. I share this concern. However, I believe that small agricultural enterprises can be assisted better through needed amendments to the Consolidated Farm and Rural Development Act which would:

- provide Federal credit assistance for meeting pollution control requirements, and
- double the loan limits for farm operating and ownership loans.

I urge the Congress to enact H.R. 10078 and S. 3114 which would make these required changes in the Consolidated Farm and Rural Development Act and to reconsider the necessity for expanding SBA authority to finance small farms and ranches.

Finally, I question the provision of S. 2498 which requires Presidential appointment with Senate confirmation of the Chief Counsel for Advocacy, re-directs the role of the Chief Counsel from small business advocate to that of director of special studies of small and minority business, and requires the Counsel to transmit reports to the President and Congress without prior review by other Federal agencies.

With these reservations, I am signing S. 2498. While the Congress and I share a deep concern for the health of small business and small farms, this commitment should not result in unnecessary or inappropriate changes in SBA programs. Therefore, I ask the Congress to join with my administration in reexamining the parts of S. 2498 which concern me and take appropriate action to correct the problems I have outlined.

NOTE: As enacted, S. 2498, approved June 4, 1976, is Public Law 94-305 (90 Stat. 663).

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Remarks at a Birthday Dinner Honoring Catherine Filene Shouse, Founder of Wolf Trap Farm Park, in Vienna, Virginia. June 5, 1976

Thank you very much, Rita, Mrs. Shouse, and all of the wonderful supporters of Wolf Trap:

It is a great honor and a wonderful privilege for me to be here and pay tribute to Mrs. Shouse. Those of us who have seen the development of Wolf Trap over the years know how many people from all walks of life have contributed, not only within the United States but the friends of the United States all over the world.

But Kay Shouse has epitomized Wolf Trap. Wolf Trap means a great deal to her, but Wolf Trap means a great deal to all of us and will mean a great deal to literally millions of people for years and years to come.

And let me just say that those of us who have known you and had the opportunity, Kay, to be the beneficiaries of your wonderful personality, your gracious hospitality, and your superb generosity to not only this area but around the world, are deeply grateful to have an opportunity tonight to pay tribute on an anniversary—I won't mention which one it is. [*Laughter*] But it is not the years that count, it is the spirit and the vision and the future.

And so, may I ask all of us to join in a toast to Kay Shouse, who represents

the future, but who has built a wonderful present for all of us and those to come in the future.

To Kay Shouse.

NOTE: The President spoke at 7:53 p.m. In his opening remarks, he referred to Rita Clements, chairman of the dinner.

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Interview on CBS News' "Face the Nation." June 6, 1976

[Dated June 5, 1976. Released June 6, 1976]

VIEWS ON A REAGAN PRESIDENCY

GEORGE HERMAN, CBS News. [1.] Mr. President, in the course of the campaign, you have said some fairly strong things about some of Ronald Reagan's policies. You have also said that he is much farther to the right than the majority of Americans. If he were to be elected President, would it be a dangerous or uncomfortable Presidency for the United States?

THE PRESIDENT. First, I don't assume that he is going to be nominated, and if he is not nominated he won't be elected. Therefore, I really haven't anticipated that we would have 4 years of a Reagan administration. I do have some differences with him as to the course of foreign policy, how to handle it. I do have some differences with him in certain specifics in domestic policy. But these are things that I think a man would learn from experience if he held this office, and therefore, he might change when he is dealing with reality and not dealing on the political campaign.

CALIFORNIA PRIMARY ELECTION

[2.] MR. HERMAN. President Ford, you say you are not making the assumption that Ronald Reagan will get the nomination or be elected, but the problem lies ahead of you now for Tuesday in California. Some political experts think you are going to have a really tough time at the convention if you don't win a good hunk of California's votes—say 45 percent. Can you do it?

THE PRESIDENT. We are very encouraged by the last 3 days. I talked to some people in California, and I have gotten reports from our people in California, and we think we are coming from an underdog position with new momentum, and we believe we are closing the gap, and we think that there is an opportunity

to win California. That, of course, would be the ultimate, but we think we will do quite well in California.

PROSPECTS FOR A FIRST BALLOT NOMINATION

[3.] HELEN THOMAS, United Press International. Mr. President, how many delegates do you think you will have when you go to Kansas City, and do you still think you will win on the first ballot?

THE PRESIDENT. Miss Thomas, I think we will win on the first ballot. At the present time we have 805 delegates; we expect to win a good share of the delegates on Tuesday. That will put us quite close to the necessary 1,130, and if we do well on Tuesday, then I think we only need about 40 percent of the uncommitted delegates. So, the opportunities look, I think, very good for us in Kansas City on the first ballot.

BOB SCHIEFFER, CBS News. Mr. President, do you feel that you will have the delegates before the convention actually opens, or do you feel as Vice President Rockefeller does that you probably will be 20 or 30 votes short, but you will have them by the time the first ballot comes around?

THE PRESIDENT. We believe that we will have them by the time the first ballot comes around. There are always those, you know, Mr. Schieffer, who play a little cozy and have not quite made up their mind. But if we add up the committed and those that we think are honestly leaning our way, I think by the first ballot we will have the 1,130.

MR. SCHIEFFER. But you won't necessarily have them by the time the convention opens.

THE PRESIDENT. Well, I am not going to argue about whether we have them by the time the convention opens or not; the most important time is when they actually cast their vote in that first ballot.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[4.] MR. SCHIEFFER. Mr. President, let me get back just for a moment to Ronald Reagan. One of the most interesting things, I think, that has been found by the CBS-New York Times polls is a statistic that came up the other day that said if the race were Ford versus Carter, 41 percent of those who call themselves Ronald Reagan people would defect and vote for Jimmy Carter. It also says 23 percent of those who call themselves Ford voters would defect to Carter if Reagan is the nominee. In light of that, aren't you going to have to

put Ronald Reagan on the ticket if you are going to have the backing of your party? And you have got to have the solid backing of the Republican Party, it seems to me.

THE PRESIDENT. I have said that I would not exclude any Republican that I have looked at or we have heard about that might qualify as being a Vice-Presidential candidate, and that would include Ronald Reagan. Now, he has himself indicated he would not be interested in being Vice President, but as far as I am concerned, I would not exclude him.

Now, we will have to take a look at the two people that the Democratic Party nominates in their July convention in New York City. We will have to see how the convention turns out in Kansas City, how we can best heal any wounds that the party might have as a result of the many primaries. Of course, the main thing is: Is the person who is going to be nominated for Vice President fully qualified to be President in case something should happen to the President? Now, all of those things have to be put into this formula, and we will look at the kind of data that you have indicated. But I think it is premature to make any commitment at this time.

MR. HERMAN. But are you seriously saying that the choice of the Democratic Convention would really influence the man that you want for your Vice President?

THE PRESIDENT. It certainly is a factor in the formula. That has been the tradition in conventions over the years in our Presidential races; you can't ignore it. Democrats have done it, Republicans have done it, and I suspect it will be a factor—not the controlling factor, but it will be a factor.

MR. HERMAN. I know this is probably something you can't tell us in some detail. You usually give a list of the people that you are interested in that has been well published. Do you have one favorite yourself—in your bosom, as they say in the church—who you would like as your Vice President?

THE PRESIDENT. I haven't decided on one person, Mr. Herman. I have several that I think fit a very good category of the kind of people, but it is very premature to make any final decision at this point.

CAMPAIGN STATEMENTS

[5.] MISS THOMAS. Mr. President, you have said several times on several occasions that Reagan's statements on Panama, Rhodesia, so forth, were irresponsible. Yet, you say all that would be forgotten; when he gets into the White House he would be responsible. Are you saying that Reagan is only mak-

ing campaign rhetoric now and does not truly believe in the things he says? You also implied there would be guerrilla warfare if Reagan became President and stopped the Panama Canal negotiations.

THE PRESIDENT. Sometimes in the heat of a political campaign, statements are made that on cool reflection candidates wish they hadn't said.

MR. HERMAN. Are you referring to yours or his?

THE PRESIDENT. I am referring to several that have been made by my opponent in recent weeks. And certainly if a person becomes President he has to be more judicious, more careful in what he says and how he says it and when he says it. And I think when you get in that Oval Office, Miss Thomas, it does make you far more responsible than you are when you are out on the political hustings.

SCHOOL DESEGREGATION AND BUSING

[6.] MR. HERMAN. In a recent interview you volunteered—or in answer to a question, I guess—some information about your plans for alternatives to court-ordered school busing. Could you explain them in somewhat more detail than they were explained, as I read them. They seemed a little indefinite to me, or are they still in that stage?

THE PRESIDENT. I think there are three points we have to make before we discuss busing:

Number one, this administration will uphold all constitutional rights of any individual in this country, including the rights under the 14th amendment.

Number two, this administration is totally dedicated to quality education.

Number three, this administration will carry out the decisions of the Supreme Court. I took an oath of office to do so, and I will continue to do so.

Now, we have found, or I believe that court-ordered, forced busing to achieve racial balance is not the best way to necessarily protect individual rights on the one hand or to achieve quality education on the other. Therefore, starting back in November of 1975, I asked the Attorney General and other members of my Cabinet to see if we couldn't put together something that would be better than the remedy that has been used by some district courts in trying to solve the very difficult problem of protecting constitutional rights and, at the same time, achieving quality education.

Within the last 2 weeks the Attorney General has decided not to intervene in the Boston case for good reasons that he, as Attorney General, decided, and I support him. On the other hand the Attorney General is seeking a particular

case where we can get a clarification or a modification of some of the previous Supreme Court decisions in this very complex area.

Now, in the interim the Department of Justice has prepared—or is in the process of preparing legislation, which I will submit to the Congress in the very near future, which would seek to limit the courts of this country to the correction of the areas where the local school board, by its act, has violated the constitutional rights of individuals—in this case students—and not to permit the court to go beyond the instances where rights have been violated.

Now, in some cases the court has taken an illegal act of a school board—relatively small part of a total school system—and taken over the whole school system, and the court, in effect, has become the school board. I think that is wrong, and the Attorney General agrees with me.

The legislation that we will propose will seek to limit, to minimize the corrective action or the remedy by the court to the actual instances where there is a violation of a person's constitutional right. That will minimize in many cases to a substantial degree the amount of court-ordered, forced busing.

MR. SCHIEFFER. Mr. President, the courts have already ruled on that point, if I understand it, in 1973 in the *Denver* case.

THE PRESIDENT. Are you talking about the *Keyes* case?

MR. SCHIEFFER. Yes, sir. Have they not, when they said that was not a remedy? You could not just remedy it in a specific area rather than the whole system.

THE PRESIDENT. The Attorney General and his associates informed me that that has not been totally clarified, and that is the purpose of actually seeking a case where the Department of Justice can go into a subsequent case and get a clarification. That is why we are going to propose legislation, so that there is a legislative direction given to the court to make sure that we protect constitutional rights where there has been a violation and, at the same time, preclude the courts from becoming in effect the school board in a local community.

MR. SCHIEFFER. Let me ask you just a somewhat broader question, and you are the attorney and I am not, so maybe you can explain it to me. If the courts have already ruled that busing is a permissible way to achieve integrated schools, and they have already ruled that integrated schools are a constitutional right—

THE PRESIDENT. A permissible remedy to correct an injustice.

MR. SCHIEFFER. How can you pass a law to limit that remedy if the courts have already ruled it is constitutional? Don't you need a constitutional amendment to overturn that?

THE PRESIDENT. The Constitution permits the legislative body to give guidelines in certain court cases. And according to the Attorney General, he believes

that this proposed legislation is constitutional; it will simply limit the remedy to the instance where there has been a violation of a constitutional right. According to him, that is constitutional.

MR. SCHIEFFER. And it is your interpretation that the *Keyes* case did not invalidate—

THE PRESIDENT. As I understand it, it was a dictum, not a final judgment.

MR. HERMAN. To cut through some of the legal niceties which are a little hard on us, it seems to me—perhaps I misunderstand it—the final impact of this is to leave in place all de facto school segregation which has happened without the breaking of a law?

THE PRESIDENT. The courts already decided that.

MR. HERMAN. So that this is the direction which you wish to encourage law and legislation to continue?

THE PRESIDENT. We would recommend, as the court has said, we correct the violations, but we only correct the violations, not make a Federal district court a local school board.

MISS THOMAS. Mr. President, what chance do you think such legislation would have of passing, and what constitutional right is violated by being bused?

THE PRESIDENT. Well, the Congress, I think, would be responsive to some legislation of this kind because I think the public—

MISS THOMAS. This year?

THE PRESIDENT. I would hope so. I can't promise it because I don't control the Congress, but I do believe there is a great public sentiment for a limitation or a minimization of the courts in the remedies that they have pursued.

And what was the second?

MISS THOMAS. The second is, what constitutional right is being violated by being bused?

THE PRESIDENT. Busing is simply a remedy to achieve a correction of an alleged act by a school board to violate somebody else's constitutional rights. Busing itself is not a constitutional right, nor is it a lack of a constitutional right. It is only a remedy.

MISS THOMAS. But isn't it the law of the land to desegregate the schools in this land?

THE PRESIDENT. Where there has been a specific violation of a person's constitutional right. It is not beyond that, and that is the real point at issue.

MISS THOMAS. On another subject, Mr. President—

SEGREGATION IN PRIVATE SCHOOLS

[7.] MR. HERMAN. Before you change the subject, before you abandon schools altogether, just to explore one further item—private schools, the private, white academies that have been founded in parts of the South, you would leave those as being perfectly legal?

THE PRESIDENT. That case is now before the Supreme Court. I think that the individual ought to have a right to send his daughter or his son to a private school if he is willing to pay, whatever the cost might be.

MR. HERMAN. But a segregated private school, if that should be his choice?

THE PRESIDENT. I think in a private school a person ought to have an individual right.

MR. SCHIEFFER. What if those schools get some kind of Federal aid? Some of them apparently do.

THE PRESIDENT. If they get Federal aid, Mr. Schieffer, that is a totally different question, and I certainly would not, under circumstances, go along with segregated schools, under no circumstances.

MR. HERMAN. That would include any kind of tax break, Federal tax break?

THE PRESIDENT. That is right.

MISS THOMAS. Would you approve of a private school turning someone away on the basis of color?

THE PRESIDENT. Individuals have rights. I would hope they would not, but individuals have a right where they are willing to make the choice themselves and there are no taxpayer funds involved. Now, this is a matter before the courts at the present time, and I think there will be a Supreme Court decision probably in this term, or the next term certainly, but individuals have a right where there are no Federal funds available. I would hope they would not.

And our own children have always gone to public schools, which were integrated, and they have gone to private schools where they were integrated. So, my own record is one of our children and my own belief in integration. But, I think individuals do have some rights where they are willing to make the choice and pay the price.

THE MIDDLE EAST

[8.] MISS THOMAS. Are you working for a Middle East conference this year? You said you were talking actively to the Israelis and other governments to move off dead center, the status quo. Is there a possibility that there could be a Geneva conference this year?

THE PRESIDENT. It is not likely that there would be a Geneva conference this year. I don't rule it out entirely, but it is not likely. We are, however—I am talking to the heads of government when I see them, as I did with Prime Minister Rabin of Israel when he was here. We are talking with foreign secretaries. We think momentum has to keep going beyond the Sinai II agreement. If we stop the momentum the pot begins to boil again, so we are trying to deal bilaterally, urging other nations to get together to move forward. But the prospect of a Geneva conference in 1976, I think, is somewhat remote.

MISS THOMAS. Does the Syrian intervention in Lebanon have your blessing?

THE PRESIDENT. We have objected to any foreign intervention in Lebanon. We don't believe that military intervention is the right way to solve Lebanon's political problems. About 8 weeks ago I sent Ambassador Dean Brown as my special emissary to Lebanon, and he was very helpful in trying to bring some of the parties together. And I think we made a significant contribution in seeking a political settlement without any military intervention.

I repeat, the United States Government is opposed to any military intervention in Lebanon. I think it could be destabilizing, even though thus far it has been done with restraint.

MISS THOMAS. Are you doing anything about it?

THE PRESIDENT. We have let all parties know that we oppose any military intervention.

PUBLIC CONFIDENCE IN THE ECONOMY

[9.] MR. HERMAN. Mr. President, in almost every campaign speech it seems to me you say something about the economy which goes along the lines that everything that should be going up is going up and everything that should be coming down is coming down.

THE PRESIDENT. That is true, and it is getting better every week.

MR. HERMAN. Then that gives point to my question, which is that the CBS-New York Times polls of voters have repeatedly shown a very strange phenomenon. Only about a third of the people that we have queried in various States around the country expect their economic state to be better a year from now. The rest think it is going to be the same, and a very large proportion—in some places, more than half the people—think they are going to be worse off in a year. What is going on?

THE PRESIDENT. Well, if you look at other surveys, you find that consumer confidence has been going up and up every month or whenever——

MR. HERMAN. Until recently.

THE PRESIDENT. There was a slight drop in recent—I think the last week or so, but for the last 9 months it has been going up very steadily, and over the last year it has gone up 100 percent.

Now, I think there was a little apprehension that developed because we had a Wholesale Price Index figure that went up .8 percent for the month of April. But now that we had the good news of Friday where the Wholesale Price Index went up .3 percent—then I also saw, as you did, that we had good unemployment news, and we added some 300,000 more to our employment figures. So, I believe public confidence after that just 30-day setback will again start climbing, and if it continues, as all of us think it will, we will have a continuous process of economic growth and stability.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[10.] MR. SCHIEFFER. Mr. President, could I just for a tiny minute get back to politics. I must say I am struck by how nice you are being to Ronald Reagan today. At the beginning of the broadcast you talked about how you thought he would grow in office if somehow he wound up there at the White House. You talked about how you have obviously taken note of some of the statistics I cited about how many Reagan voters were going over to Carter. Would it be fair to say that you are not just including him, and you are not excluding him as a Vice-Presidential possibility, but you are giving serious consideration to Ronald Reagan as your running mate?

THE PRESIDENT. I am giving serious consideration to him like I am to all of the other Republican potentials. I think we have to have an open mind about all of, say, 10 to 15 individuals, including him.

REOPENING OF THE PRESIDENT KENNEDY ASSASSINATION INVESTIGATION

[11.] MR. HERMAN. Mr. President, one of the last times we had you on this broadcast, when you were Congressman Jerry Ford, we asked you about the Warren Report on the assassination of President Kennedy. A great deal more information has come out about motive in the case of the assassination of President Kennedy, information which was not obviously available to you as a member of the Warren Commission at the time. Do you agree with those who say that, therefore, the Warren Commission Report should be reopened, the thing should be restudied?

THE PRESIDENT. I think in the very limited area a reopening might be desirable. The Warren Commission did make a massive effort to try to find a motive, and we had academicians, we had lawyers, we had all kinds of people trying to find out.

MR. HERMAN. Everything but the information from CIA that you needed.

THE PRESIDENT. And we never were able to find a motive. And if there is some additional, I think, constructive information available. I think it ought to be reopened in that very limited area.

MR. HERMAN. You say "if." Do you not think that there is the additional information?

THE PRESIDENT. I have not had an opportunity to examine the detailed information, and until I have personally examined it I don't think I ought to pass judgment on it.

SECRETARY OF STATE KISSINGER

[12.] MR. HERMAN. Mr. President, you said repeatedly that yours is an open administration, anybody can come in and talk to you. Has anybody come in and talked to you about getting rid of Secretary Kissinger as a means of improving your chances?

THE PRESIDENT. Absolutely not.

MR. HERMAN. Nobody in the administration?

THE PRESIDENT. Nobody in this administration has come to me asking that I fire Secretary Kissinger. I happen to think he has done a first-class job towards peace, and that is the responsibility of the Secretary, to carry out my foreign policy. It has been successful, so I want him to stay.

MR. HERMAN. Thank you very much, President Ford, for being our guest on Face the Nation today.

NOTE: The interview was taped at 11:50 a.m. on studios in Washington, D.C., for broadcast at Saturday, June 5, 1976, in the CBS television 11:30 a.m. on Sunday, June 6.

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Exchange With Reporters on Arrival at Newark, New Jersey. *June 6, 1976*

GOOD MORNING, everybody. It's nice to be in New Jersey again. I have been here a good many times, but it's nice to be back here today. I deeply appreciate Senator Case and the Members of the congressional delegation. And it's nice to have an opportunity to make a comment or two.

We got some additional good economic news last Friday. The Department of Labor indicated that for the fourth successive month we have shown an alltime high in employment throughout the United States. On Friday, they announced that 87,700,000 people had jobs in the United States, an alltime high. It showed a 300,000 gain in the last month, and it indicates a 3,600,000 gain in the last 12 months.

Unemployment is going down, but it's still too high. And personally, I will not be satisfied until every American who wants a job has a job. The economic policies we have tried to follow, when we had the recession a year ago, I think, are turning out right. The economy is moving again.

A year ago, I recommended and the Congress approved a tax decrease, and that has been very effective and extremely helpful. In addition, last October I recommended a substantial reduction in the growth of Federal spending and an additional \$10 billion tax reduction, including an increase in personal exemptions from \$750 a person to \$1,000 per person. So far, the Congress has responded in part on the reduction in expenditures, but it is still \$17 billion more than I proposed.

So far, there has not been action on the additional \$10 billion recommended for tax reduction. I hope and trust that between now and adjournment we can further curtail Federal spending so that the American people will have more money to spend for themselves, rather than having the Government do it for them. And I hope before adjournment the Congress can additionally reduce Federal taxes.

These are the kind of economic policies that have turned this country around and have started us on a road to economic prosperity and better times in the future. I am convinced that the American economy is strong and it's going to get better, and that we'll have the kind of economic prosperity that is essential.

I say, again, I thank the congressional delegation for being here this morning, and it is a pleasure to be in New Jersey.

I'll be glad to answer a few questions.

REPORTER. Any predictions about how you will do in New Jersey?

THE PRESIDENT. Well, I think we will do well in New Jersey, and—

Q. How well?

THE PRESIDENT. I never pick percentages or numbers. But the Republican delegation indicates to me that the volunteers and the county leaders and the leadership in the State are working hard. And with the record we have, I think we will do well.

Q. Mr. President, Morris Udall has said he would leave it to the New Jersey

State officials to solve the tax problems in causing public schools to close on July 1. Do you agree with Mr. Udall, or do you support a new tax program in the State?

THE PRESIDENT. I don't think I should comment on what the State of New Jersey should do about its home tax matters. The Federal Government does contribute significantly to educational programs in the State of New Jersey, as it does everywhere, but the State tax matters ought to be decided by the State legislature and the Governor.

Q. There is a statement that I've heard that Mayor Gibson has said wherever America is going, Newark will get there first. In some ways that might not be too good. Do you feel there is anything that the Federal Government can do to help improve where urban centers like Newark are going?

THE PRESIDENT. I've had a number of meetings with Mayor Gibson; we've talked about what the Federal Government can do. For instance, we have to extend the general revenue sharing program. That would bring a significant amount of money, about \$10 million to the city here. That would be very, very helpful. And if Congress does not pass general revenue sharing, it will put a very, very serious crimp in Mayor Gibson's plan to continue what he has been doing with general revenue sharing for the last 4 years.

In addition, we have the community development program, which makes a significant contribution to Mayor Gibson's effort to rebuild the city. There are those two programs, plus a number of others, that can be very helpful.

Q. Mr. President, I wonder, did you authorize the TV ads in the State of California, and are you going to withdraw them?

THE PRESIDENT. The President Ford Committee made that decision. The President Ford Committee I have faith in. I approve the concept, because I personally wanted my record known that I would not, under any circumstances, commit U.S. military personnel, U.S. troops, to Rhodesia or southern Africa.

Thank you very much.

NOTE: The President spoke at 11:54 a.m. at Newark International Airport.

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Remarks at Dedication Ceremonies for the Great Falls National Historic Site in Paterson, New Jersey. *June 6, 1976*

Mayor Pat Kramer, Governor Byrne, Senator Peter Williams, distinguished Members of the House of Representatives, Congresswoman Fenwick, Congress-

man Forsythe, Congressman Rinaldo, and Congressman Roe—your own Congressman—Mr. Haines, distinguished guests, ladies and gentlemen:

I am really delighted to be here this afternoon to join you in participating in this historic occasion. Let me say that listening to both of your excellent high school bands makes me think of a very important day coming up in November, a great contest that must be on the minds of all of you. I mean, of course, that Thanksgiving Day game between the Knights and the Ghosts.

Today, the Great Falls [of the Passaic/] Society for Establishing Useful Manufacturers' Historic District takes its place alongside such sites as Mount Vernon, Monticello, as a national historic landmark. That makes this a very important day in Paterson—not just for Paterson but for the entire United States.

Many of you—and I emphasize many of you—have worked hard in Paterson to bring about this designation to be a part of this wonderful park, Haines Memorial Park. I compliment and congratulate all of you for the participation. And you—each and every one of you—should be very, very proud of what we see here today in this designation.

All America can look at this landmark and consider what it really represents. Great Falls is joining 21 other landmarks which were the settings for important facts and important acts in the drama of our Nation's industrial development.

But this site has a very particular significance within that very select group. The sheer number of different industries that were established here make this site very unique. Great Falls represents the first attempt within the United States to harness the entire power of a major river.

The development of the Great Falls industrial site was also a distinctly American project in another important aspect. In addition to native-born Americans, the original developers, as I understand, included immigrants from France, Britain, and Ireland. But most of all, far more important than anything, the industrial history of the Great Falls goes back to the very first years of our United States, and this engineering achievement embodied our most basic political and economic goals—independence and prosperity.

The Society for the Establishment of Useful Manufacturers was stimulated by our first Secretary of the Treasury, Alexander Hamilton, to use Paterson as a place to encourage America's economic independence and demonstrate the value of American industry. Let me add that this city and what it represents remains very important to our Secretary of the Treasury today, a native of Paterson, my good friend and yours, Bill Simon.

Others in Hamilton's day, a good many years ago, came here to Paterson to

admire the Great Falls. They saw its beauty as its only natural resource. But Hamilton found more than just the beauty of the Great Falls which delighted his eyes. When Hamilton first saw the falls, as an aide to General Washington, they fired Hamilton's imagination. He saw them as a power supply with raw materials, abundant labor, and ready markets nearby.

Before Paterson was much more than a name on a piece of paper, Hamilton saw it as the cradle of American industrial might. A lot of water has flowed over the Great Falls since those days. Paterson did become a cradle which nurtured such American industrial products as Roger's locomotive, the Colt revolver, the Holland submarine, and the Curtiss-Wright aircraft.

Today, we are making this historic district a monument to the genius and to the efforts of the workers, the engineers, the businessmen who turned Hamilton's vision of an industrial, powerful nation into a reality. We can see the Great Falls as a symbol of the industrial might which helps to make America the most powerful nation in the world, a nation that each and every one of us can be very proud of in 1976, our Bicentennial Year. We can see it as a symbol of industrial democracy, which makes a vast array of material goods available to all of our people.

You, yourselves, are making this district much more than just a monument. You are using the historic part of Paterson as an asset to future growth. You plan to reactivate the Great Falls hydroelectric plant close by this site. In addition to its historical value, the plant could provide a very useful amount of electrical energy. It will serve as a symbol of Paterson's rebirth. And, Mr. Mayor, and all of the citizens of Paterson, I congratulate you on your vision, your energy, and your drive. And I look forward, as all of you do, to Paterson moving up and up as a place for industry, as a wonderful place to live. And I love being here today.

It should also serve as a reminder that America's dependence on imported energy jeopardizes our country's future economic growth. We have tried to do our part by proposing an effective energy program, and with the help of the United States Congress that program will go a long, long way toward solving America's energy program and problems.

In Paterson, you are using your vision and your imagination yourselves. And I am proud that the Federal Government has played its part by giving Paterson some of the financial aid that will help make it once again a booming example of what America's mighty economy has to offer.

The ancient energy of the Great Falls themselves and the new energy of the citizens of Paterson can propel this area into a new age, even greater than that

foreseen more than 200 years ago by Alexander Hamilton. Those same natural resources, the American earth and the American people, will ensure that his vision of a free and prosperous nation will remain a reality for a long, long time.

Thank you. It is wonderful to be here.

NOTE: The President spoke at 1:08 p.m. In his opening remarks, he referred to Mayor Lawrence (Pat) Kramer of Paterson, Governor Brendan T. Byrne of New Jersey, and Edward B. Haines, executive editor of the Paterson Evening News.

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Remarks at a Reception for Bergen County Business and Civic Leaders in Paterson, New Jersey. *June 6, 1976*

THANK YOU very, very much, Mayor Pat Kramer. I want to express my deepest appreciation to Congresswoman Millicent Fenwick and Congressman Ed Forsythe and Congressman Mat Rinaldo, who are here with me. We had earlier at the airport Senator Cliff Case. And it is wonderful to be in Paterson, first to go to the Great Falls and the tremendous crowd and, secondly, to come to the Kramer home and to see so many darn good Republicans, some fine Independents, and some super Democrats.

Before making a few remarks, let me make this observation. Most of you know I come from the great State of Michigan. Most of you know that anybody coming from Michigan ought to be interested in a healthy and prosperous automobile industry. But as much as I want the automobile industry to have a prosperous year in 1976, this is not the year to trade in a reliable Ford for a flashier model. *[Laughter]*

On Tuesday, we have the last of 30-some primaries. I am the only Republican candidate for the Presidency who has entered every primary. And why did I do that? Because I want the opportunity for as many voters in this country to have an opportunity to make a choice. I am entered in the New Jersey primary because I want the people of the Garden State to have a chance to vote for President Jerry Ford.

It's my understanding that my opponent did not venture into the great State of New Jersey with his name on the ballot. I want you to know that we have to make a massive effort between now and Tuesday in this State to make sure, yes, that I get a good vote, to be certain and absolutely positive that the Ford delegates get elected in every one of your congressional districts.

You know I have been in politics a few years, and I know that sometimes peo-

ple get a little lackadaisical. They get a little apathetic when the challenge is not there. We can't afford that in the State of New Jersey on Tuesday. We have to make a massive effort; we have to get a tremendous vote, and that means that every county leader, that means that every voter in this State, gets not only himself or herself to the polls but makes absolutely positive that everybody who can vote goes to the polls and sends out a strong, strong message that the State of New Jersey is in President Ford's column.

Let me give you a few reasons why I think we ought to have 4 more years of this administration.

Number one, when I became President 22 months ago—let your minds drift back—this country was in a very serious situation. The American people, for reasons we all know, had lost their confidence in the White House. The American people knew that we were suffering serious economic problems with the rate of inflation of over 12 percent. The American people knew we were on the brink of a serious economic recession. The American people knew that their friends and allies around the world were uncertain as to the will and the resolution of this great country. Our adversaries were in a mood that they might well have taken advantage of the circumstances in America.

It was not a very happy time to become President of the United States, but we decided that we would work at the job; we would have solid, sound programs and policies to turn things around.

I believe that because of the frankness, the straightforwardness, the candor, we have restored the confidence of the American people in the White House and in the Oval Office. And we will do it for the next 4 years.

We have turned the economy around. A year ago unemployment was going up, and employment was going down. But because we had a good program, we followed a calm, constructive approach to what the problems were economically.

Today—it was announced just Friday by the Department of Labor—the United States has 87,700,000 people gainfully employed, the most Americans who have ever had jobs in the history of the United States. That is a good record. We had 300,000 more jobs in the month of May. We have 3,600,000 more jobs in the last 12 months.

Let's take just a look at inflation—12 percent when I became President, 3 percent or less for the first 4 months of this calendar year. We made a 75 percent reduction in the rate of the inflation, and that is a good record that we ought to be proud of.

I remind you in the area of foreign policy, there isn't a single American boy

fighting and dying on any foreign soil under the Ford administration. We have the kind of military strength that can meet every mission and every challenge, and we have the diplomatic skill to make sure that in the next 4 years we will keep the peace through strength under this administration.

I might say, parenthetically, the Ford administration has no intention whatsoever—there is no reason for it—to commit U.S. troops to southern Africa.

So, when you sum it all up, I think we've got a good record, a record that can make the American people proud from going to adversity to strength and from strength to increased prosperity, a restoration of confidence and trust in the White House, and an economy that will give a job to everybody who wants a job. That's the program; that's what we are going to do.

Now, let me make one final observation. As I travel around the country, and I have visited a good many States, I am positive that President Jerry Ford can be elected President in November. And I am absolutely certain that I can do a better job than any other Republican candidate for the Presidency to make sure that Ed Forsythe and Millicent Fenwick and Pat Rinaldo and some other good Republicans are elected to the Congress in 1976.

Let me make a firm personal commitment. First, I don't promise anything I can't produce, and I produce everything I promise. And furthermore, Betty and Jerry Ford won't let you down in the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 1:55 p.m. at the residence of Mayor Lawrence (Pat) Kramer of Paterson.

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Remarks at a Republican Party Reception in West Orange, New Jersey. *June 6, 1976*

PRETTY WOMEN—you are the heart and the soul of the Republican Party, and I thank you for what you have done.

Now, we have got a big ballgame on Tuesday, and let me just lay out what it looks like. We have got the State of New Jersey with 67 delegates. We have the State of Ohio with 97, and the State of California with 167. I think it would be a tremendous beginning—because your polls close, I understand, earlier than the others—if we could have a clean sweep of New Jersey on Tuesday. That just isn't going to happen. We have got good delegates. I think I'm a good candidate, but the only way you win in this game is to get people to the polls.

Let me tell you why we need all 67 delegates to the convention in Kansas

City. We have got about 805 delegates. We have got 325 more to go, and if the State of New Jersey comes up with 67, that is a big push toward that magic number of 1,130.

Let's look down the road a minute. There is absolutely no question in the mind of political experts around the country that President Ford can win on November 2 and that my Republican opponent cannot win on November 2.

Now, let's take a look at history. I can remember very vividly in 1964, going into that election we had about 190 Republican Members of the House of Representatives. We got clobbered in 1964. We lost about 50-some Republican Members of the House of Representatives, and we lost some Senators. We now have only about 145 Republican Members of the House and about 32 Republican Members of the Senate.

If we have a repetition of 1964, the numbers on the Republican side of the aisle in the House, as well as in the Senate, will be cut tremendously. We don't want that, and if President Ford is leading the ticket for the Republican Party, I can assure you we will pick up Republican Members of the Congress and won't lose any.

But I think it might even go a little deeper than that. I don't recall the precise figures in New Jersey, but I suspect that in the 1964 election a lot of New Jersey freeholders weren't reelected, and I suspect a lot of other New Jersey candidates lost in 1964.

So, if you want the strength of the party at the local level, at the State level, and at the congressional level and at the Presidential level, to carry on and do the kind of a job that you want done, you better get 67 New Jersey delegates for Jerry Ford on Tuesday.

Now, let me give you a couple of good reasons why I think you can go to those people that live in your neighborhood, or you people who associate with your lawyer, doctor, friends, school teachers, or the people that work in any one of our occupations. We have a job to do in the next 48 hours. You have to sell people, and you have got to make sure, you have to make positive that they get to the polls.

Let me summarize briefly why I think I ought to be the Republican candidate for the Presidency. In 22 months, after inheriting a situation where our economy was on the downside, where our allies abroad were uncertain, our adversaries abroad weren't sure whether they could undertake some adventurism, and where there had been a loss of confidence and trust in the White House, in 22 months we have turned it all around.

We have restored confidence and trust in the White House with an open,

candid, forthright administration, and I am proud of it. Despite a Democratic Congress, we have turned the economy around so that everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. I'm proud of that too.

One other comment. Because we are strong militarily and because the American people have the will to carry out a foreign policy, we are at peace today. I remind each and every one of you, there is not an American boy dying and fighting on any foreign soil under that administration. Let me add, parenthetically, the Ford administration isn't going to send any American troops to Rhodesia.

And now, let me thank you all. As I said at the outset, you are the heart and the soul and the producers in the Republican Party. I have been the beneficiary in a number of elections of what my friends at home, just like all of you, have done on my behalf, and I could never thank them enough. But let me thank all of you in advance of what you will do so we can win on Tuesday.

NOTE: The President spoke at 2:27 p.m. at the Town and Campus Site.

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Remarks at a Republican Party and President Ford Committee Reception in West Orange, New Jersey. June 6, 1976

Thank you very much, Tommy, Millicent Fenwick and Matt Rinaldo and Dave Norcross—here he is, right here—he's going to be your next Congressman from this area—

AUDIENCE MEMBER. Senator.

THE PRESIDENT. Senator, I mean.

We've had a wonderful day in New Jersey. We arrived—a little rainy, but the clouds cleared. We had great crowds. We had a wonderful reception in Paterson.

We've come down here to West Orange, and I want to thank Bubby Koby¹ for making the place available and giving us such a wonderful reception. But let me thank every one of you who I know are either committeemen or committeewomen. You are the heart and the soul of the Republican Party, and I thank you for what you've done.

Now, we've got a big ballgame on Tuesday, and let me just lay out what

¹ Chester (Bubby) Koby, president of Town and Campus Corporation.

it looks like. We've got the State of New Jersey with 67 delegates; we have the State of Ohio with 97, and the State of California with 167. I think it would be a tremendous beginning—because your polls close, I understand, earlier than the others—if we could have a clean sweep of New Jersey on Tuesday. That isn't just going to happen. We've got good delegates. I think I'm a good candidate. But the only way you win in this game is to get people to the polls.

And let me tell you why we need all 67 delegates to the convention in Kansas City. We've got 805 delegates; we've got 325 more to go. And if the State of New Jersey comes up with 67, that's a big push toward that magic number of 1,130.

But let's look down the road a minute. There is absolutely no question in the minds of any Members of the House or Senate, there is no question in the minds of political experts around the country, that President Ford can win on November 2 and my Republican opponent can't win on November 2.

Now, let's take a look at history. I can remember very vividly in 1964, going into that election we had about 190 Republican Members of the House of Representatives. We got clobbered in 1964. We lost about 50-some Republican Members of the House of Representatives, and we lost some Senators. We now have only about 145 Republican Members of the House and about 32 Republican Members of the Senate. And if we have a repetition of 1964, the numbers of the Republican side of the aisle on the House as well as in the Senate will be cut tremendously. We don't want that. And if President Ford is leading the ticket for the Republican Party, I can assure you we will pick up Republican Members of the Congress and won't lose any. But I think it might even go a little deeper than that. I don't recall the precise figures in New Jersey, but I suspect that in the 1964 election a lot of New Jersey freeholders weren't reelected, and I suspect a lot of other New Jersey candidates lost in 1964.

So, if you want the strength of the party at the local level, at the State level, and at the congressional level and at the Presidential level to carry on and do the kind of a job that you want done, you better get 67 New Jersey delegates for Jerry Ford on Tuesday.

Now, let me give you a couple of good reasons why I think you can go to those people that live in your neighborhood, or you professional people who associate with your lawyer, doctor, friends, or the school teachers, or the people that work in any one of our occupations. We've got a job to do in the next 48 hours. You've got to sell people, and you've got to make sure, you have to make positive that they get to the polls.

AUDIENCE MEMBER. It will be done.

THE PRESIDENT. Thataboy!

Let me summarize briefly why I think I ought to be the Republican candidate for the Presidency. In 22 months, after inheriting a situation where our economy was on the downside, where our allies abroad were uncertain, our adversaries abroad weren't sure whether they could undertake some adventurism, and where there had been a loss of confidence and trust in the White House, in 22 months we've turned it all around. We have restored confidence and trust in the White House with an open, candid, forthright administration. And I am proud of it. And despite a Democratic Congress, we have turned the economy around so that everything that's supposed to be going up is going up, and everything that's supposed to be going down is going down. And I'm proud of that, too.

And one other comment: Because we are strong militarily and because the American people have the will to carry out our foreign policy, we are at peace today. And I remind each and every one of you, there isn't an American boy dying and fighting on any foreign soil under this administration. And let me add, parenthetically, the Ford administration isn't going to send any American troops to Rhodesia.

And now let me thank you all. As I said at the outset, you are the heart and the soul and the producers in the Republican Party. I've been the beneficiary in a number of elections of what my friends at home, just like all of you, have done on my behalf, and I could never thank them enough. But let me thank all of you in advance of what you will do so we can win on Tuesday, win at Kansas City, and win in November for the good of the country.

Thank you very much.

NOTE: The President spoke at 3:20 p.m. at the Town and Campus Site. In his opening remarks, he referred to Thomas Kean, chairman of the New Jersey President Ford Committee, Representa-

tives Millicent Fenwick and Matthew J. Rinaldo, and Dave Norcross, Republican senatorial candidate for New Jersey.

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Exchange With Reporters on Arrival at Cleveland, Ohio.

June 6, 1976

IT IS great to be back in Ohio—Cleveland. I especially appreciate Governor Rhodes, Mayor Ralph Perk, and my good friend from the Congress, Chuck Mosher, and all of the other dignitaries who are here from the party. We are

here in the next 24 hours to do our very best to make sure that the message of the Ford administration comes across.

It is a message of restoration, of confidence and trust in the Federal Government, the Presidency itself. It is a message of turning an economy around which a year ago was in the depths of a recession. We have made substantial progress in reducing inflation in the last 22 months. We have reduced the rate of inflation on an annual basis from about 12 percent to 3 percent or less, which is a 75-percent cut in inflation. And this affects everybody.

We have added in the last 12 months 3,600,000 more jobs. In the last month, the month of May, we have added 300,000 more jobs. At the present time, according to the Department of Labor, we have 87,700,000 people gainfully employed in the United States, an alltime record. But we are not satisfied because unemployment is too high. I won't be satisfied until we have a job for everybody who wants a job. That is the objective of the Ford administration.

This administration has followed a course of giving tax reductions to the American taxpayer. Last year, we recommended a tax reduction; the Congress went along with it. In January of this year, I proposed another \$10 billion tax cut that would come July 1. Included in that tax reduction is an increase in the personal exemption from \$750 to \$1,000 for every individual taxpayer. This is the kind of tax reduction that the American people want and deserve. It gives them an opportunity to spend their money instead of having the Federal Government spend it for them.

In addition, the administration has recommended a substantial reduction in the rate of growth of Federal spending. Unfortunately, the Democratic Congress has added some \$17 billion to the proposed budget for the next fiscal year.

I can assure you that this administration is going to fight not only to reduce taxes as of July 1 but to make certain that we cut as much as we possibly can below the budget-busting proposals of the Democratic Congress.

This country is on the road to sound and, I think, permanent prosperity under this administration's policies, and we intend to pursue those policies for the next 4 years.

I will be glad to answer a couple of questions.

REPORTER. Mr. President, in the advance text of your speech tonight, you say America is tired of those who belittle the Nation and are poisoning the political debate. Who is doing that?

THE PRESIDENT. I think as you look around the spectrum of Presidential aspirants, there are a number who do it, and I will let the record speak for itself.

Q. In both parties, or the Republican Party?

THE PRESIDENT. I think there are some in both parties.

Q. That would be Mr. Reagan in your party because he is the only other candidate, I gather?

THE PRESIDENT. I will let the record speak for itself.

Q. Aren't you getting a little tougher on Governor Reagan as you go along on this trip?

THE PRESIDENT. Yesterday, Helen [Helen Thomas, United Press International], I was very kind and generous.

Q. How, what changed your mind?

THE PRESIDENT. Well, we have not changed significantly. We will just let the record speak for itself.

PRESS SECRETARY NESSEN. We ought to have some Ohio reporters ask questions.

THE PRESIDENT. I thought I saw some good-looking people out there—[*laughter*]*—not some old, tired faces. [Laughter]*

Q. President Ford, this morning Mr. Reagan—he left about 6 hours before you arrived—he made reference to an ad in which your camp apparently stigmatizes him as a warmonger. He said you ought to fire the man who wrote the ad, and if you don't it is an indication that you approve of that type of campaigning. Do you have any reaction?

THE PRESIDENT. The President Ford Committee approved the ad. I have faith that they set the record straight as it is. The record is, of course, that my Republican opponent did indicate that he would think about stationing American military forces in Rhodesia. That's the record. The Ford administration does not believe that there is any need and necessity, any requirement for any U.S. military personnel in southern Africa. That's the record. As I understand it, that radio short set the record straight. It is a fact.

Q. Would you withdraw the ad, Mr. President?

THE PRESIDENT. This is a decision by the President Ford Committee. But if you speak the facts, I think the American people ought to hear them.

Q. In other words, you are not going to withdraw it?

THE PRESIDENT. I will let that decision be made by the President Ford Committee. But if you say the facts, the American people want to hear it, I would think.

Q. Mr. President, our mayor is supporting you because of your position on Federal revenue sharing, which is greatly different than Governor Reagan's. Can you be specific on what we have to look forward to?

THE PRESIDENT. There is a significant difference between my Federal revenue

sharing program and that of my Republican opponent. Mr. Reagan wants to turn the responsibilities for service back to the city of Cleveland, which puts the taxpayer of Cleveland and the mayor in a very difficult position.

If there is no Federal money available, then Mayor Perk and the taxpayers of Cleveland either have to reduce services or increase taxes. That is what the Reagan proposal is. The Ford proposal is to give to the city of Cleveland general revenue sharing and let the mayor and the city council make the decision how it should be spent. I think the taxpayers of Cleveland would much more approve of the Ford proposal than that of my opponent.

REPORTER. Thank you very much.

NOTE: The President spoke at 5:10 p.m. at the Cleveland-Hopkins Airport.

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Remarks at a Republican Party Reception in Cleveland.

June 6, 1976

Jim Rhodes, Bob Taft, Charlie Mosher, Bob Hughes, Ray Bliss, all of the other distinguished members of the party organization, wonderful Republicans here today:

I think we can get 97 delegates from the State of Ohio. I spent the better part of a day in New Jersey today, and they have 67. I challenged them to get all 67. I said that if they did I thought maybe Ohio might get 97.

You know, you good Buckeyes for too many times and too long a period have been whipping us up in Michigan. Now, just a few weeks ago, the voters in the Wolverine State gave me 65 percent majority. Can Ohio beat that?

That's one victory I would like to see Ohio achieve over Michigan. But to be serious, let me say this: We are going to win in Kansas City because the Ford administration for the last 22 months has had a good record.

We have restored the confidence in the White House that had been dissipated over the previous period. We have restored the economy, so that from a year ago we are on the road up. And Jim Rhodes spoke about jobs—300,000 more jobs in the month of May, 3,600,000 more jobs in the last 12 months.

On last Friday, the Department of Labor announced that for the fourth successive month there had been an alltime record established in the United States for more jobs than ever in the history of the United States. We are going up and up and up with jobs, and they are jobs primarily in the private sector,

where five out of six jobs exist anyhow. But this economy we are now moving forward with is the kind of economy that gives jobs that are permanent, that provide for advancement, that are the kind of jobs that are meaningful and not as the result of a bloated Federal budget where people are put to work for a few months and then fired.

We have the right kind of an economic plan that provides 3,300,000 more jobs in 12 months. As we work with your Governor seeking to build the kind of highways that will come out of the \$17 billion highway program that I signed into law a week or two ago, the uranium enrichment plant down in Portsmouth, these are the kinds of cooperative efforts that provide primarily the jobs in the private sector, but at the same time coordinate those efforts with those in the public sector.

So, this administration has turned the economy around. Everything that is supposed to be going up is going up, and everything that is supposed to be going down is going down. The best evidence of those things that are going down is the drop in the rate of inflation. When I became President 22 months ago, the rate of inflation was 12 percent or more per year. For the first 4 months of this calendar year, the rate of inflation, which affects everybody, rich or poor, those on welfare and otherwise, was at the rate of 3 percent. We've made a 75-percent reduction in the rate of inflation, and I am darn proud of that achievement.

This country is at peace. We achieved it, we have the military capability, we have the diplomatic skill to maintain it. And let me add two footnotes. There is not a single American boy fighting on foreign soil under this administration, no American boy sacrificing his life on foreign soil. I might add a second point. The Ford administration never has, never will commit U.S. troops to southern Africa.

Now, let's talk about two other reasons why President Ford ought to be nominated. Number one, he can be elected, and there isn't another Republican candidate that can be elected. And thirdly, if we want to strengthen the Republican Party in the House and the Senate, if we want to add to the Republican Party strength in the local offices and in State offices, you want a candidate that can win, that carries the party forward.

Some of you may remember the tragedy of 1964, and let me tell you how it affected the Congress. In 1964 we had 180 some Republicans in the House of Representatives. We lost almost 50. Do you want that to happen again? We lost a number of Senators. You don't want that to happen.

So, what you want is a candidate leading the Republican Party on a national scale that can win, that can work with and help to elect Republican candidates

across the board. Well, I think we have the record. I think we can win, and we can help the party. This is what it is all about. Let's see you get 97, so that is 67 from New Jersey, which makes 154 or thereabouts, [1]64—I need that computer. *[Laughter]*

Then let me just add a footnote. Don't rule out—I think we might win in California. I sent the First Lady out there—or First Mama, as she likes to be called—in order to get my votes up to her polls, and she tells me that things look very encouraging. So, we are going to win in New Jersey, we are going to win Ohio, we are going to give them a fight in California. We are going to win in Kansas City, and we are going to win November 2.

Thank you very much.

NOTE: The President spoke at 5:50 p.m. in the Cleveland Room at the Sheraton Cleveland Hotel. In his opening remarks, he referred to Gov. James A. Rhodes of Ohio, Senator Robert Taft, Jr., Repre-

sentatives Charles A. Mosher and William J. Hughes, chairman of the Republican committee in Cuyahoga County, and Ray C. Bliss, Republican national committeeman for Ohio.

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Remarks at the Golden Agers Banquet in Cleveland.

June 6, 1976

THANK YOU very, very much, Tom and Mrs. Boardman. It is wonderful to stop by and see all these kings and queens and to see so many couples that are celebrating their 50th wedding anniversaries. Betty and I are hoping to enjoy our 28th on October 15, and we hope to celebrate our 50th in what—22 years thereafter. That is the new math that I learned. *[Laughter]*

But it's great to be here, and particularly at the invitation of Tom Boardman and the Cleveland Press that I understand has sponsored this fine occasion—for the 41st year, is it? I think that is tremendous, and I compliment the Cleveland Press. I've had the opportunity, as you all know, to travel around the country a good bit, and I meet lots of wonderful people. But the people that impress me the most are people like yourselves, who for 50 years have enjoyed the company of one another, who for 50 years have worked together to make a great contribution not only to your individual lives, but to the lives of your children, your neighbors, and your friends. This is, to me, something that is at the epitome, is at the height of the nice things that happen in this country.

So, I wish each and every one of you a good many more years together, because what you have contributed in the past, not only to yourself but to your

community, to your friends, and everyone else, is just the best of this great country.

So, I wish you a good many years more of love, a good many more years of friendship, and a good many more years of the very best of health.

Thank you very, very much.

NOTE: The President spoke at 6:55 p.m. in the Gold Room at the Sheraton Cleveland Hotel. In his opening remarks, he referred to Thomas Boardman, editor of the Cleveland Press.

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Remarks in Cleveland at the National Awards Dinner of the National Conference of Christians and Jews. June 6, 1976

Tom, Governor Rhodes, Senator Taft, Congressman Chuck Mosher, Mayor Perk, Abe Luntz, Dr. Hyatt, reverend clergy, ladies and gentlemen, and, of course, our honored guest, my old and very, very dear friend, Frances Bolton:

I am honored once again to address the National Conference of Christians and Jews. You are striving to make brotherhood more than just a phrase. You are enriching the lives of all Americans by working to keep our democracy real and our democracy flourishing.

You have given tonight the Human Relations Award to one of my best and most wonderful friends, Frances Bolton, with whom, as has been mentioned before, I had the privilege of serving in the Congress for 20 years. I know from very deep and personal experiences of her tremendous contributions to our country and her dedication to humanity.

Frances liberated herself long before the age of women's liberation—the first woman to be elected to the Congress from Ohio, the first woman Member of Congress to head an official mission abroad, the first woman to be appointed a congressional delegate to the United Nations, and one of the first Members of the Congress to recognize the very special importance of Africa and the Middle East in international affairs.

I think Frances is the best proof of women's equality in America. And as she was speaking, I closed my eyes for a moment. I heard the same voice here tonight that I heard speak on the floor of the House, in the well, which was just as meaningful then as it was tonight. And I opened my eyes and saw virtually the same person that I saw as a great leader in the House of Representatives for nearly two decades.

It's just a great opportunity for me, Frances, to be here and to pay tribute to

you for all the superb things you've done not only for Ohio but for the country and across this great land. I am proud of her, and I am sure each and every one of you are proud of Frances Bolton.

This organization works to promote harmony and brotherhood—and, I must say, sisterhood—among all peoples of all religions and all races. Frances Bolton very early understood America's interests in promoting harmony and promoting peace in all countries and all peoples of the world.

You know, when I start talking about foreign policy, it sounds like I'm talking about some foreign problems. Actually, I'm talking about people like me who represent people like you. While I'm at a negotiating table with a foreign leader, I'm not looking across the table at a nation, I'm looking at another person.

The differences between nations that keep us apart are less important than the similarities that bring us together as people. This is the lesson of our common humanity.

Our foreign policy today is based on man's respect for man, on our understanding that we are indeed "riders on the Earth together," in a constant effort to make reason the strongest force in the conduct of nations. This is why America has long sought to use its strength for peace. This is why America has always stood for freedom and justice, self-determination, the duty of the strong toward the weak, of the prosperous toward the poor.

Americans have learned that we cannot police every remote corner of the Earth nor fill every empty bowl. But we can be an immense influence for good and for justice, for reason and for peace in this world in which we live. We have made some mistakes. We have learned from those mistakes rather than being disillusioned about them. We must now carry out our responsibilities with the wisdom and maturity that we have gained.

I pointed out in my first State of the Union Message in January of 1975, the following: At no time in our peacetime history has the state of the Nation depended more heavily on the state of the world, and seldom, if ever, has the state of the world depended more heavily on the state of our Nation. I spoke then at a time of trouble, a time of division among Americans, of economic recession and energy shortage, of constitutional crisis and national self-doubt.

Now we are in the midst of gathering recovery in our unity, in our economy, in our self-confidence. Yet it has become increasingly apparent that the interconnection between peace, prosperity, and justice in the United States and in the world is a permanent fact of international relations. On this shrinking planet our self-interest and our ideals compel us to use our vast power to help shape

the world's future. This will be our challenge for as far ahead as any one of us can see.

In my travels across the country, I have found that the American people know this. They know that we cannot have security for ourselves unless we maintain the global balance of power. They know that we cannot remain prosperous, and spread prosperity to more Americans, in a world which is deeply divided by confrontations between the rich and the poor, producers and consumers, free market economies and centrally planned economies. They know that America cannot continue to exist as a just society by turning its eyes away from injustice elsewhere in the world.

The American people are ready to do their share, but we are tired of those who deliberately belittle our Nation, running down our strengths and poisoning the political debate. The American people know that this is a strong country and this is a good country.

In my meetings with world leaders, I found that they are getting this message. The resilience of our economy and our society, after all we have been through, is clear to everyone. Today, our allies and our friends have new faith in our commitments. Our potential adversaries have no doubt about the risks of further adventurism. The simple fact is we are not losing the struggle for a safer and more peaceful world; we are winning, and we will keep on winning.

The foundation of our world role is American military strength. Throughout my own career, as Frances well knows, I have been a champion of the strong defense which is essential to our own security and to international stability. Largely because of this strength we are at peace today. On this day, the anniversary of D-day on the beaches of Normandy, no American soldier is fighting on any battlefield anywhere in the world. And we are engaged in realistic negotiations with adversaries to reduce the dangers of future confrontations and wars.

As a nation, we have pulled our economy back onto the road of prosperity and to stable growth. Nothing else we do has such benefit, not only for every American and their families but for millions of families around the world whose well-being depends in large measure on the vigor of the world economy.

Finally, we are at peace, not only with others but with ourselves. In overcoming the doubts and the dissensions of the past, we have regained our position as a vital, moral force in the world today. Now, as much as ever, America is a beacon of hope to all who yearn for freedom, well-being, and justice.

In this Bicentennial Year, we rightly celebrate our past. We have earned it. But it is also a moment to think about the future. The quest for peace will always

be unfinished. What are the real issues that the country will face over the next 4 years? The real issues of today are not always the issues that make the headlines or attract the attention of campaigners.

Although we are at peace, we must consolidate this peace for ourselves and for our children and children everywhere. We must never forget the tremendous responsibility we bear as the world's strongest military and economic power. What we do or what we fail to do can often have a very decisive impact. Therefore, we will continue to propose defense programs to the Congress that fully meet the requirements of our security. We can never, or we should never in the future afford the trend of thoughtless cutbacks in defense programs. We will vigorously resist future reductions in expenditures for adequate defenses.

Secondly, we must have the vision and the courage to use that strength, with diplomacy, to build a better world for our children and our children everywhere. We must conduct an imaginative, bold diplomacy that shows creative American leadership instead of just reacting to events as they come.

Thirdly, we must move ahead on the road of economic recovery, strengthening our economy, guarding against inflation, and working with other nations to promote global economic expansion. With the emergence of new nations and the economic impact of the Communist countries, major changes have taken place in the world's economic situation. We must adjust the world economy for these new conditions.

These basic issues are one of the subjects the leaders of the major industrial democracies will discuss at Puerto Rico in a few weeks, a conference that I called to follow on from the one held last fall in Rambouillet, France. I envisage further such summits in the future. We will reach important agreements, in my judgment, in the multilateral trade negotiations in Geneva. We will continue discussions with our major partners on strengthening the monetary system.

Fourth, our alliances with the great industrial democracies must be relevant to the concerns of a new era, an era of economic issues, an era of intensified negotiations with adversaries. We must maintain our unity in these positive endeavors as we maintained it in periods of threatening danger. This means cooperation on a more equal basis among allies and a regular practice of close consultation. I will continue my practice of frequent contacts with my colleagues, the leaders of our major allies in Europe, Canada, and Japan.

It is now clear that relations with our adversaries must be managed on a long-term basis. We have successfully maintained the balance of power, but where do we go from here? The answer is carefully planned, patient efforts to

negotiate, to lower tensions, to find solutions to problems, to be willing to mold coexistence into cooperation. There will be obstacles, and there will be disappointments, but confident in our purpose to maintain freedom, we will persevere. This is a President's responsibility.

We have embarked on the path of halting and reversing the strategic arms spiral. We must continue both with vigilance and perseverance until we have banned the horrors of nuclear war. I will seek a successful conclusion of this round of the SALT negotiations to finalize the accord I reached with General Secretary Brezhnev at Vladivostok a year and a half ago. When concluded, I will submit such an agreement to the Congress and to the American people, regardless of any alleged political advantage or political disadvantage.

We must continue and we must develop our new relationship with the People's Republic of China. China is a major country and a great country. It contains one-quarter of mankind. No stable global peace can be built without its constructive contributions. The United States will carry on this process with fidelity toward our friends and good will to all.

We have taken important initiatives toward helping resolve the problems of the Middle East and southern Africa. Peaceful solutions may be more possible now than at any moment before or in the future. Regional conflict can pose wider dangers. The world community cannot let them fester and explode. We are morally committed to the survival and to the security of Israel. We also have significant and growing friendships with the moderate nations of the Arab world. Because of the steps that we have taken, the time is approaching when successful effort can be made for a just and lasting negotiated peace in the Middle East.

We will continue America's efforts to help resolve local conflicts, whether in Lebanon or Cyprus or elsewhere, and we are redoubling our efforts to combat the proliferation of nuclear weapons.

We have opened a hopeful new dialog with the less developed nations. We must continue the process on the basis of mutual respect, making it a fruitful vehicle for developing their economies and contributing to international prosperity. America will continue to offer bold proposals in the economic dialog with the developing countries, as we have done. We will not be pressured; we will not be blackmailed. But talks between producers and consumers of energy, between rich nations and poor, will continue until cooperative solutions are reached to the common challenge of interdependence.

Most importantly, we are regaining our self-confidence and pride at home. Let us face the future confidently. Our role abroad should be a source of continu-

ing pride. We must live our ideals so that America will find true peace, prosperity, and justice at home, and thus help to realize these dreams around the world.

I intend to see that Congress and the executive branch of the Federal Government find a cooperative way of working together so that essential national policies can go forward with full national unity behind them. This is a program for peace. I intend to make it a reality.

Let us heed the words of the 34th Psalm, which urges us all to seek peace and to pursue it. As we never cease our vigilance, let us never lose our vision of what we want the world to be. This is the spirit of the National Conference of Christians and Jews. This is the highest responsibility of a President.

Thank you very much.

NOTE: The President spoke at 8:53 p.m. in the Grand Ballroom at the Sheraton Cleveland Hotel. In his opening remarks, he referred to Thomas Vail and Abe N. Luntz, cochairmen of the Cleve-

land office, and David Hyatt, national president, National Conference of Christians and Jews; Gov. James A. Rhodes of Ohio; and Mayor Ralph Perk of Cleveland.

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Exchange With Reporters on Arrival at Cincinnati, Ohio.

June 6, 1976

GOOD EVENING, everybody. It's nice to be in Cincinnati. We have had a good day, first in New Jersey and up in Cleveland. It is nice to be in Cincinnati this evening, and we are looking forward to tomorrow morning.

I do want to thank Governor Rhodes, I want to thank Bob Taft, I want to thank Gordon Scherer, I want to thank Clarence Miller, and I want to thank all the other members of the congressional delegation who have been helpful and supportive of my nomination.

Let me just make very clear what the message is of the Ford administration as we come into the great State of Ohio. The message is very straightforward, very simple: The Ford administration has been open, been candid and very frank in trying to restore the trust and confidence in the White House. I think we have made a lot of progress, and in the next 4 years we can do even better.

The Ford administration inherited a very bad economic situation. We were having 12 percent inflation. In the last 22 months we have cut it from 12 percent to 3 percent or less. That is a 75-percent reduction. That's sizable, I think, progress in this area.

We inherited a serious economic problem, such as the recession that a year

ago was blighting the whole country. In the meantime, in the last 12 months, we have increased employment 3,300,000 jobs. In the last month we added 300,000 more jobs, and today, according to the last report of Friday of the Bureau of Labor Statistics, we have 87,700,000 people gainfully employed in the United States, an alltime record.

When we look at the world scene, we find that we are at peace. No American boys are fighting overseas, and we are not going to commit any, such as in South Africa or Rhodesia. This policy of this administration is to diplomatically keep the peace that we have achieved and keep it during this administration by being militarily strong and diplomatically skillful.

It's a pleasure to be in Ohio, and it's nice to be in Cincinnati tonight.

I will be glad to answer any questions.

REPORTER. How do you feel about the primaries?

THE PRESIDENT. I am very encouraged. I think we will do well in Ohio. I have been here a good many times in this State. I have a great many friends. We have an outstanding organization, headed by the Governor and Kent McGough and Keith McNamara¹ and all the other people throughout the State, and I'm very encouraged.

Q. Does this last-minute campaigning in Ohio indicate any concern on your part that you may be lagging or may not be doing as well as you would like?

THE PRESIDENT. Not at all, because I have been in Ohio a good many times during my Presidency. I have been here recently on a number of occasions. We just wanted to make sure that the people of Ohio know that I care about the 97 delegates in the State of Ohio, who are very crucial in the convention victory that we are going to have in Kansas City and the eventual victory in November when the contest is between the Republican candidate and the Democratic candidate.

Q. Mr. Reagan said today that you had reduced the campaign to a very low level that he thought the Republicans would never aspire to. Do you have any comment on that?

THE PRESIDENT. I think the Ford campaign has been conducted at a very high level. We have only told the truth. We have been very straightforward in meeting any comments or issues that have been raised. We have told the truth across the board. And I have faith in the committee that represents me at the national level. I think as long as we tell the truth to the American people, you can't lose.

¹ Ohio State Republican chairman and Ohio President Ford Committee chairman, respectively.

REPORTER. Thank you very much.

THE PRESIDENT. It is real nice to see you all. See you tomorrow.

NOTE: The President spoke at 10:15 p.m. at the Greater Cincinnati Airport. In his opening remarks, he referred to Gov. James A. Rhodes of Ohio,

Senator Robert Taft, Jr., Representative Gordon Scherer of Ohio 1953-63, and Representative Clarence E. Miller.

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Remarks at the Hamilton County Republican Club Breakfast in Cincinnati. June 7, 1976

My old and very dear friend, Bob Taft, Governor Rhodes, distinguished Members of the House of Representatives, Willis Gradison, Don Clancy, Bill Harsha, Clarence Miller, Bud Brown, Tom Kindness, Keith McNamara, and all of the organization people, Earl Barnes, Gil DeCourcy, Steve Bollinger, and all of you some 1,200 who make up, as Bob Taft said, the finest Republican organization in any part of the country:

I thank you for coming here this morning. June 8, tomorrow, is the Super Bowl of the 33 primaries. The State of California has 167 delegates being elected tomorrow; Ohio, 97; New Jersey, 67.

Our campaign has 105 committed delegates. We want to maximize our efforts in New Jersey and Ohio, and we want to make a good fight and maybe win in California. But you know traditionally, in the last few years, at least, Ohio has on a certain date in November given Michigan a bad time. [*Laughter*] A few weeks ago the State of Michigan gave me a 65-percent majority. This is one time—tomorrow—I would like to see Ohio beat the Michigan record.

Coming from Michigan, of course, I am very, very much in favor of a strong and prosperous automobile industry. I think it's important, and you in Ohio have a very crucial impact on the automobile industry. But in 1976 I don't want to see a reliable Ford turned in for a flashier model. [*Laughter*]

Let me relate the circumstance that existed when I became President in August of 1974. As Bob Taft said, the country had gone through a very traumatic experience. There had been a loss of confidence and trust in the White House. We were suffering inflation of 12 percent or more. The workingman was losing money almost every day because his wages weren't as high as the inflation that was affecting him. We were on the brink of the worst economic recession in 40 years. In foreign policy, our allies were uncertain as to the will, as to the resolution of the American people. Our adversaries, because of our uncertainty,

could have been tempted to take advantage of a very difficult time in this country.

But in the last 22 months, I think we can point to success and progress in every one of those fields. There is no doubt that because of the candor and frankness and forthrightness of the Ford administration, we have restored public confidence, public trust in the White House, in the Oval Office itself.

As my good friends in the Congress know, I have never promised more than I can produce, and I have produced everything that I have promised.

But let us turn to the circumstances involving our economy. A year ago we had employment going down and unemployment going up. In the last 12 months we have totally reversed that. We have gained 3,600,000 jobs in the last 12 months, and that's a good record. In the last month alone we gained an additional 300,000 jobs, and for the fourth month in a row, the Department of Labor has been able to indicate that we have reached an alltime high in employment, 87,700,000 people with jobs in America. The record is good, and we ought to be proud of it and talk about it.

But how did we get those jobs? We didn't get those jobs by loading up the Federal payroll. We didn't get those jobs by budget-busting bills that some of the Democrats in Congress were trying to stuff down our throat. We got those jobs because we relied on the private sector, where five out of the six jobs in this country are today.

As we look down the road, we are going to emphasize the private sector. We are not going to give them temporary, nonadvancement employment. If we get the kind of economy that we have today and can continue to it for tomorrow, we are going to be able to say to people: You have got jobs that have opportunities for advancement and permanency.

How did we get that? We got that by the kind of policies where we offer tax reductions to the American people. In 1975 I recommended a very substantial Federal tax cut; the Congress went along. Twenty-five percent of that reduction went to the benefit of industry so they could have incentives to expand, to modernize. We gave 75 percent of that tax reduction to the people of this country so they could spend their money and not have the Federal Government spend it for them.

In addition, in January of this year, in order to keep the momentum of our economy on the right track, I recommended a 50-percent reduction in the growth of Federal spending. I recommended an additional \$10 billion tax cut to begin on July 1, with an increase in the personal exemption from \$750 to \$1,000 for the American taxpayer. That's the kind of a benefit that the Ford adminis-

tration is seeking so that you can spend your money, and the Federal Government won't decide it for you.

Now, what kind of a problem do we have as far as the Congress is concerned? I recommended a 50-percent cut in the rate of growth of Federal spending. The Congress so far—the Democratic majority taking the leadership—instead of holding the line, has set a ceiling \$17 billion more than I recommended, and that means they are going to be sending some additional budget-busting bills down to the Congress.

Let's talk about what we have done about that legislation that has come from Capitol Hill down to the Oval Office in the White House. In 22 months, I vetoed 49 bills, 42 of them have been sustained by the responsible Members of the House of Representatives or the United States Senate. In the process of vetoing and getting 42 of them sustained, we have saved the taxpayers \$13 billion. That is a good record, and we're proud of it.

Let me say not to the people here who represent you from the Congress, but the irresponsible Members of the House and the Senate, if they send us any more deficit-increasing, budget-busting bills, I will veto them again and again and again and again.

Let's turn for just a minute to where we stand in foreign policy. Our allies believe in us. Our adversaries understand that we are strong and we are going to negotiate with strength. We have achieved the peace. We have the military capability to maintain the peace and the diplomatic skill to avoid a confrontation.

I remind you—which I think is critical and crucial in deciding whether we have been successful or not—not a single American boy is fighting and dying on foreign soil under this administration.

I might add, parenthetically, the Ford administration is not going to send any troops to southern Africa or to Rhodesia, and I should add, in addition to that, we've been able to keep our military manpower for the Army, the Navy, the Air Force, and Marines at full strength without resorting to the draft. For the first time in 40 years, we can meet our military commitments, and the young men of this country can volunteer and can serve as a career rather than to be sent by Selective Service.

What we're doing in foreign policy is negotiating rather than confronting. Our allies believe in the will and the resolution of the American people. They know that our strength is fully capable to carry out any mission they have in our defense to deter aggression, to maintain the peace. Our adversaries know

that we have the strength and the will to meet any challenge, and therefore, they're willing to negotiate rather than to confront on the battlefield.

So, when you look at the Ford administration, you say without any hesitation or equivocation we have a record of restoration of trust and confidence. We have turned the economy around, and we're on the road to jobs. We are on the road to cutting inflation from 12 percent to 3 percent or less. And that means that when the wife of a worker goes to the supermarket, instead of an increase in the cost of food at 12 to 15 percent, which it was when I took office. In 1976, the cost of food is going to increase no more than 4 percent and mainly at a rate of 2 to 3 percent.

So, we have had progress in meeting inflation, getting more jobs. Everything that is supposed to be going up is going up, and everything that is supposed to go down is going down. We're on the road to permanent, healthy progress in our economy under the Ford administration.

Now let's talk about the bottom line. As Bob Taft indicated, he, as well as I, remember the tragedy of 1964. I can talk about it in a broader sense, because until that election of 1964 in the House of Representatives, we had about 185 Republican Members. After the election of 1964, we had 140.

We lost almost 50 Members in the tragedy of 1964. I don't recall how many Senators we lost, but we went from almost even down to the Democrats having a 2 to 1 margin. We don't want to repeat that tragedy in 1976.

We want, instead of losing Members, to add to the outstanding delegation that you have in the State of Ohio. We want Bob Taft reelected, and we want every one of the Members of your Ohio congressional delegation reelected, and we want to add a few to that.

I have been talking to Governor Rhodes about some of his problems up there with the State legislature. I think it would be helpful, and it can be done with the right leader at the head of the ticket, to give Jim Rhodes some more help in the State legislature.

What I'm saying is if we have the right Republican candidate for the Presidency, we can have a total Republican victory from the White House down to the courthouse. That's the way we make our philosophy work in this political arena. I pledge my best efforts, not only to win—which I believe deeply that I can—but to work with the State organizations and build the party from the ground up, so that this philosophy which we hold so dear, this philosophy which is so good for this country, can prevail for the next 4 years and for the rest of this century and beyond.

Let me say there is no question in my mind whatsoever that I can be elected,

and I have grave reservations, very serious doubts, that any other Republican candidate can be elected. So, I say to you that if we want our philosophy of strength abroad, prosperity at home, confidence and trust in the White House, and to have that kind of victory across the board, then we have to do a massive job on June 8 in Ohio, in New Jersey, in California, in Kansas City.

With our victory in Kansas City, we can go on to a victory in November of 1976.

I thank you for your support, and I promise you in the next 4 years Jerry Ford won't let you down.

Thank you very much.

NOTE: The President spoke at 8:25 a.m. at the Cincinnati Convention Center. In his opening remarks, he referred to Senator Robert Taft, Jr., Gov. James A. Rhodes of Ohio, Keith McNamara, chairman of the Ohio President Ford Committee,

Earl Barnes, Hamilton County Republican chairman, Giles DeCourcy, president of the Hamilton County Republican Club, and Steve Bollinger, chairman of the Hamilton County President Ford Committee.

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Remarks at a Reception for Local Labor Leaders in Cincinnati. *June 7, 1976*

I WANT to thank very, very deeply Governor Jim Rhodes for his all-out effort. I want to thank the Republican organization from the top down to the person that gets people to the polls and tells them how to vote for the good of the country. And I want to thank all of the Republican Members of the United States Congress, Bob Taft and my former colleagues in the House. I want to thank the State legislators. They have done a super job on my behalf. I never thought I could get this many Buckeyes to help the Wolverines. Of course, the epitome was when Woody Hayes¹ came out for a Wolverine.

But let me give you a message in capsule form that I gave a comparable group in New Jersey yesterday. Here is a group of people in the great State of New Jersey who remember very vividly the clobbering they took in 1964, where they lost virtually the whole ticket from top to bottom. They lost what they call freeholders, which are the courthouse people. They lost the State ticket; it was just decimated. And they are not going to let that happen again by having the wrong person leading the Republican ticket in November.

And I am not—I just can't believe that Hamilton County or in the other counties of Ohio you are going to let the wrong person lead the ticket for the

¹ Head coach of the Ohio State University football team.

Republican Party in 1976. We can win. I can be elected, and I can help elect more Republican Members of the House and the Senate, in this State legislature, and in the local courthouse.

That is the way you build a party. That is the way you maintain a political philosophy. That is the way you make headway in trying to keep America on the right path economically, militarily, diplomatically, morally, spiritually, and everything else.

All I am saying to you is we have got about 24 hours now, just about 24 hours to make the difference. And what you do here in Hamilton County—we are in the last minute of the last quarter, and this is when you really turn on the steam. This is when you convince people, and you get people to the polls. We did a pretty good job in Michigan a few weeks ago, and as I said in the other meeting, this is one time I would love to see Ohio beat Michigan's record.

Thank you very much.

NOTE: The President spoke at 9:03 a.m. in Reception Room 213 at the Cincinnati Convention Center.

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Remarks at a Republican Party and President Ford Committee Reception in Cincinnati. *June 7, 1976*

I WANT to thank very, very deeply Governor Jim Rhodes for his all-out efforts. I want to thank the Republican organization from the top down to the person that gets people to the polls and tell them how to vote for the good of the country, and I want to thank all of the Republican Members of the United States Congress, Bob Taft and my former colleagues in the House. I want to thank the State legislators. They have done a super job on my behalf. I never thought I could get this many Buckeyes to help a Wolverine. [*Laughter*] Of course, the epitome was when Woody Hayes¹ came out for a Wolverine.

But let me give you a message in capsule form that I gave a comparable group in New Jersey yesterday. Here is a group of people in the great State of New Jersey who remember very vividly the clobbering they took in 1964, where they lost virtually the whole ticket from top to bottom. They lost what they call freeholders, which are the courthouse people. They lost the State ticket; it was just decimated. And they are not going to let that happen by having the wrong person leading the Republican ticket in November.

¹ Head coach of the Ohio State University football team.

I just can't believe that in Hamilton County or in the other counties of Ohio you are going to let the wrong person lead the ticket for the Republican Party in 1976. We can win. I can be elected, and I can help elect more Republican Members of the House and the Senate, at the State legislature, and in the local courthouses.

That is the way you build a party. That is the way you maintain a political philosophy. That is the way you make headway in trying to keep America on the right path economically, militarily, diplomatically, morally, spiritually, and everything else.

All I am saying to you is we have got about 24 hours to make the difference in what you do here in Hamilton County. We are in the last minute of the last quarter, and this is when you really turn on the steam. This is when you convince people, and you get people to the polls.

We did a pretty good job in Michigan a few weeks ago, and as I said in the other meeting, this is one time I would love to see Ohio beat Michigan's record.

Thank you very much.

NOTE: The President spoke at 9:25 a.m. in Reception Room 205 at the Cincinnati Convention Center.

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Remarks in Middletown, Ohio. *June 7, 1976*

THANK YOU very, very much, Tom, Governor Rhodes, Senator Bob Taft, Congressman Chuck Whalen, and all of the local officials and distinguished guests, but, most importantly, all the wonderful people from Middletown who have done a superb job in coming out here and welcoming me on this occasion. I can't thank you enough for your help and assistance come tomorrow.

Let me tell you why I think I deserve your vote and why I will do what is good for this community, for this State, and this country in the months ahead.

First, we want to talk about jobs. I want to thank Bob Taft, Tom Kindness, and Chuck Whalen and the others for consulting with me and urging that I impose a quota system on stainless steel so there will be more jobs at the ARMCO plants in this community.

Let me make an announcement, if it hasn't been announced already. Yesterday, before I took off to come to Ohio, I signed the necessary document that imposes the import quota on stainless steel,¹ and it will go into effect, period.

¹ See Proclamations 4445 and 4477 (41 FR 24101, 29089).

But let's talk just a minute or two about the overall. When I became the President 22 months ago, this country was in tough shape. The people had lost confidence in the White House. We were suffering inflation at a rate of about 12 percent. We were on the brink of a serious economic recession. Our allies abroad were very, very apprehensive about the will and the strength of America, and our adversaries could have been tempted to undertake some action against this country.

But in the last 22 months we have restored honesty, trust, and confidence in the White House, and I'm darn proud of it. But everybody here is equally concerned about inflation and jobs. What have we done there? It is very simple—12 percent when I became President, it is now 3 percent or less. That is progress, and we are going to do better in the months ahead.

In the last year from the depths of the recession, we have increased total employment in this country 3,600,000 more jobs, 300,000 more jobs in the last month. It was announced by the Department of Labor just last Friday that 87,700,000 people have jobs in America, an alltime high. And we're going to do better than that in the months ahead.

Let me make this commitment to you. I will not be satisfied as your President until every person who wants a job has a job in America.

Let me make one final comment. This country is a good country. This country is the kind of a country that our forefathers established so they could give to us the opportunities and the blessings that we have. Every one of us has a stake in making this a better country. Can I ask for your support so that I have the opportunity for the next 4 years to make this country a better place for all of us, but particularly these young people here who want the opportunity to do better than we have? I ask for your help. We've got to win, and we will.

Let me make this observation. You want Bob Taft as your next United States Senator, reelected. You want Tom Kindness, Chuck Whalen, Bud Brown, the rest of the delegation. President Ford can win in November, and President Ford can make certain that Bob Taft wins, Tom Kindness wins, that Chuck Whalen wins, that Bud Brown wins.

We don't want a repetition of the debacle that took place in 1964. We want a ticket from the courthouse to the White House that can win for the kind of America that's good for all of us. I ask for your support. I have done a good job, and I want your help.

Thank you very, very much.

NOTE: The President spoke at 12:05 p.m. at the Middletown Mall. In his opening remarks, he re-

ferred to Representative Thomas N. Kindness and Gov. James A. Rhodes of Ohio.

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Remarks in Dayton, Ohio. June 7, 1976

Thank you very much Senator Bob Taft, Congressman Chuck Whalen, Governor Jim Rhodes, distinguished Mayor, public officials:

This is the most fantastic, warmest, most generous welcome. I thank each and every one of you. I love to be in Dayton.

Let me take just a few minutes to tell you why I want your help, why I think I deserve your support, and why I want your vote tomorrow and why we want it on November 2.

First, when I became President just about 22 months ago, this country was in trouble. People had lost faith and confidence in the White House. We were suffering inflation of about 12 percent. We were on the brink of a serious recession. The American people were uncertain as to what they wanted to do in handling or working with our allies and how to challenge our adversaries. But in 22 months I think the Ford administration has done a good job.

First, we have restored confidence and trust in the White House. This administration has been open, it has been candid, it has been forthright, and as a result the American people, instead of being divided, are united. They have faith in the Oval Office, they have faith in the President.

The second point: As I said, when I became President the rate of inflation was 12 percent per year. We just got a report last week that indicates that the rate of inflation for the first 4 months of 1976—3 percent or less. In other words, we cut the rate of inflation from 12 percent to 3 percent. That is a 75-percent reduction, and that's a darn good job. What does that mean to the person who brings home the paycheck? It means that he has got more money to spend for himself or herself or their family than they had from their wages in 1974.

But let's talk about jobs. Jim Rhodes, your great Governor, has done a fabulous job in making certain that jobs come to Ohio, that jobs are here. But let me talk for just a minute about what we have tried to do and what we have accomplished.

A year ago unemployment was going up, and employment was going down. In the last 12 months we've turned it around. We've added 3,600,000 jobs in this country, 300,000 more jobs in the last month. For the fourth month in a row, the Department of Labor has announced that we have had the highest number of jobs in the history of the United States. Just last Friday they said 87,700,000 people are working in America. That is progress, and we should be darn proud of it.

But let me just talk for a minute about what we're going to do when we move ahead toward greater prosperity. I'm not going to be satisfied until every American who wants a job can get a job. That's what we are going to do.

But let's talk about the national security and how the United States stands around the world. Under the Ford administration, we achieved the peace. Under the Ford administration because we are strong, under the Ford administration because we have respect from our allies and trust from our friends around the world, we are going to keep the peace.

I remind you of this fact: Not a single American boy is fighting and dying on foreign soil under the Ford administration, and that's progress.

Let me say because of this great community's interest in Wright-Patterson Air Force Base, it performs a tremendously important function in keeping America strong, in keeping America ready, in giving us the ideas and the production to keep us where we can handle every required military mission. I was talking to your great Senator, Bob Taft, and Chuck Whalen on the way up here from Middletown, and they tell me that as the result of the budget recommendations that I proposed in January, there will be \$36 million in construction in Wright-Patterson in the next 12 months. That is how much support I have for Wright-Patterson Air Force Base.

I need your help tomorrow so we can go to Kansas City and win, and we can go to the election in November. What are the stakes in the election in November? The stakes are very simple—a Republican candidate who can win or a Republican candidate who will be defeated.

Congressman Whalen, Bob Taft, all of the Republican Members of the House as well as the Senate, with few exceptions, say that President Ford can win and President Ford can make certain that more Republicans will be reelected and more Republicans will be elected to the Congress of the United States. And that's what we've got to do.

So, let me summarize. You don't want to nominate a Republican candidate for the Presidency who can't win. You want a guy that will win, and you want a Republican candidate for the Presidency who will strengthen the party at the courthouse level, at the municipal level, at the legislative level, at the congressional level, so we will have a stronger team to achieve and maintain the peace, prosperity, and trust.

I need your help so I can do that job better in the next 4 years.

Thank you very much.

NOTE: The President spoke at 1 p.m. at the Montgomery County Historical Museum.

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Exchange With Reporters in Springfield, Ohio. *June 7, 1976*

GOOD AFTERNOON. It's great to be in Bud Brown's district with the Governor. We have had a very good day, as I think most of you would agree who have traveled with us—exceptionally large crowds, friendly audiences. And I think it looks real optimistic for tomorrow.

Do you have any questions?

REPORTER. Mr. President, what will you do after tomorrow's primaries to increase your chances at the convention?

THE PRESIDENT. We have a number of State conventions that have to take their final action. It is possible—it is not certain yet—that we will visit some of these State conventions, because we certainly want to maximize our vote and be sure we get the nomination on the first ballot.

Q. Which States might you visit?

THE PRESIDENT. We really haven't decided yet.

Q. Mr. President, you keep saying Ronald Reagan can't win, but in the popular vote he's won just about as many votes as you have.

THE PRESIDENT. If you talk to the Members of Congress who have run in races all over the country, about 9 out of 10 of them would agree with me that my being on the ticket would significantly help their reelection and help to get more Republicans. And they are convinced from their practical experience that I can win and that it is very, very doubtful if my opponent can.

Q. Mr. President, you haven't said much about that issue, that point, until fairly recently. Why didn't you push that earlier on?

THE PRESIDENT. Well, we're getting down to the final days, and we want to make sure the public understands I can win and I can help the ticket win.

Q. Mr. President, if he is such a loser, surely you wouldn't want to have him on your ticket in November, would you?

THE PRESIDENT. I don't think that's the way you judge a person for Vice President. There are a lot of other qualifications. He does have a lot of friends. He won a few primaries. But I wouldn't want to prejudge that matter until after we get a little further down the road.

Q. Mr. President, you've indicated you might be able to win in California. Have you had any late word to lead you to believe that?

THE PRESIDENT. Yes, some of our phonebanks show a swing toward us. I

think it's significant. We are still an underdog, but the pendulum is beginning to swing, and I don't rule out the possibility we could surprise them.

Q. Mr. President, do you attribute that strength to the Rhodesia comments of your opponent?

THE PRESIDENT. I am sure the public in California, like that in Ohio, and New Jersey, are interested as to what a President would do, whether he would commit U.S. military personnel to Rhodesia, or South Africa. That is a matter of deep concern to an awful lot of Americans and undoubtedly has had some effect.

Q. Mr. President, your campaign ads in California say Governor Reagan could not start a war, President Reagan could. Do you, in your heart, believe that Reagan as President could start a war?

THE PRESIDENT. Well, he said that he would commit U.S. military troops to Rhodesia. That is what he said.

Q. I mean, is it just on that basis that you are saying or your sponsor is saying President Reagan could start a war?

THE PRESIDENT. When you send troops——

Q. It sounds like he's a warmonger.

THE PRESIDENT. Well, when you commit U.S. military troops to what, 8,000, 10,000 miles away in a hotbed of a conflict between two very controversial sides, you are sending American boys to get themselves involved in a conflict that is inevitable. That's been our experience, and I don't see why anybody seeking the Presidency should make that kind of a commitment.

Q. Well, is he—is he a warmonger?

THE PRESIDENT. I said what he said. He would commit U.S. military personnel.

Q. Mr. President, apparently today Ronald Reagan was asked if he would endorse you if you got the nomination, and he said he would not say what he would do. He said he was not sure what he would do. Would you have any response to that?

THE PRESIDENT. I'm very disappointed that someone might—I say might—put a personal view above the party view and above the team's view. I have said that I have always supported the Republican Party, its candidates, and I would hope that a person could be unselfish, could be generous, could be more interested in the party and its principles than any personality. I'm very surprised.

Q. Mr. President, you've implied Governor Reagan would get us into another Vietnam.

THE PRESIDENT. All I'm saying is he has said that he would commit U.S. military personnel to Rhodesia. I have not said anything beyond that. That is what he said.

Q. Do you yourself regret your earlier support for Vietnam now, in view of your statement?

THE PRESIDENT. That is not an issue. The war is over, settled.

Q. Would you commit troops to Philadelphia if—[*laughter*—your Attorney General recommended it and if Governor Shapp concurred with Mayor Rizzo that he could not keep order on Independence Day?

THE PRESIDENT. If my advisers, after analyzing Mayor Rizzo's request, recommended to me that in the best interests of security and safety of the public that some U.S. military forces be in Philadelphia on July 4, of course I will do it. But I have not gotten that recommendation yet. When I get back and have a chance to get their recommendation, we will make a decision. But I think it would be the responsible thing if on the basis of the request the responsible people said it was in the best interest of the situation in Philadelphia.

Q. Is it really that bad? Have you looked in—

THE PRESIDENT. I don't know. I have to wait until I get some advice from people who have looked into it. The mayor says it is bad, and I will wait and see what the others say.

Q. Doesn't the Government have to have the word of the Governor that he can't quell—I mean, don't you have to go in on only an indirect—

THE PRESIDENT. Helen [Helen Thomas, United Press International], all I am saying is when we get back and make a thorough investigation of the mayor's request, if it is justified, we will help.

Q. Mr. President, what are the prospects of another grain embargo, particularly concerning this year's crop?

THE PRESIDENT. Zero.

Q. Can you expand on that, please?

THE PRESIDENT. We have got a great carryover of American wheat and corn and soybeans. We have got a good wheat crop in prospect. We have got excellent planting conditions for corn. We expect to have a good corn crop, a good wheat crop. So when you have that, plus our carryover, there is no prospect, as I see it, zero prospect of any grain embargo in 1976.

Q. How will you try to convert the uncommitted delegates between now and the convention?

THE PRESIDENT. By pointing out the record that I have talked about. I think they're interested in winning. They're not interested in nominating a candidate that's not going to win. That does not make a very happy trip to Kansas City or a very happy November 3. They want a candidate who can win, and they

want a candidate who can help the ticket from top to bottom. And therefore, when they look at the cold, hard facts of the record I have achieved and, I think, the success we will get in the November election, they will want a winner, and that is how we will sell them.

Q. Are you going to talk to them personally?

THE PRESIDENT. We may to some.

Q. Have you started yet?

THE PRESIDENT. We have not yet.

Q. When do you plan to?

THE PRESIDENT. I have not had much time.

Q. Mr. President, some of your Cleveland supporters are threatening to withdraw their endorsement of you unless the ads in California are removed. Have you been informed of this?

THE PRESIDENT. I have not.

Q. Do you have any response to that?

THE PRESIDENT. I have not heard about it. I would like to find out who they are. Nobody has talked to me about it.

Q. Right now is there any plan to pull the ads off in this final day of campaigning in California?

THE PRESIDENT. None that I know of.

REPORTER. Thank you very much.

THE PRESIDENT. It is good to see you all.

NOTE: The President spoke at 2:03 p.m. in Snyder Park. In his opening remarks, he referred to Representative Clarence J. (Bud) Brown.

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Remarks in Springfield, Ohio. June 7, 1976

THANK YOU very much, Mayor Baker. I really appreciate not only the key but the plaque, and I want to express to him on behalf of all of our party what a wonderful welcome we have had here in Springfield.

Thank you very, very much, Bud Brown—incidentally, I think he is a darn good Congressman, too—Jim Rhodes, Bob Taft, Mayor Baker:

It's wonderful to be in Springfield. I'm overwhelmed with so many wonderful people, so warm and so friendly. You vote for me tomorrow, and I won't let you down.

But let me talk for just a minute about why that election tomorrow is very

important and why I think you ought to vote for President Ford for the Republican nomination, so he can win in November. Let me take just a minute.

In August of 1974—refresh your memory—this country was in terrible trouble. The American people had lost faith and confidence in the White House itself. We were suffering inflation of over 12 percent. We were on the brink of the worst economic recession in 40 years. Unemployment was going up and jobs were going down.

At the same time, on the international front, our allies were uncertain and adversaries might have been tempted to take advantage of the situation we faced. Let me assure you, it was not a very happy and pleasant time to become President of the United States.

But in the past 22 months we have done the right thing. We have been open, we have been frank, we have been candid in the way in which we have dealt with people at home and with our allies abroad. And the net result is the public has had a restoration of confidence and trust as far as the White House is concerned. And give me 4 more years, and we will do even better in that period of time.

A year ago we were facing a serious economic problem, the worst in 40 years. What did we do? We didn't panic. We were calm, we were tough, and the net result is the rate of inflation has dropped from 12 percent to under 3 percent. That's a 75-percent reduction, and that's a darn good record.

That just happens to mean that when that paycheck comes from home or from the factory, you can go to the store and you can do a heck of a lot better. Your spendable income—because the Ford administration did the right thing—means more in 1976 than it did in 1974.

But lets talk about jobs for a minute. A year ago, we were losing jobs and this country faced a terrifically serious economic situation. But what have we done in the last 12 months? We have added 3,600,000 jobs in 12 months. We added 700,000 more jobs in the month of May, and we have now—as of the month of May—87,700,000 Americans on the job, an alltime record, and we're going to do better than that in the months ahead.

Let me tell you what I think we have to work for. People are always saying, "What statistics are you talking about when you discuss unemployment?" The only way I know to describe it is simply this: I want a job for everybody in America who wants a job and will go and get one.

One comment about foreign policy. This administration has brought peace to the United States. This administration has the military capability and the diplomatic skill to keep the peace. And this administration will keep the peace

in the future because we have the resolve, the military capability, and the skill to do so. I commit myself to that. And let me add, I think it is important for all of you to remember that there is not a single American boy today fighting or dying on any foreign battlefield. That's the record of the Ford administration. And I might say parenthetically, the Ford administration is not going to commit any U.S. military personnel to Rhodesia or South Africa.

But now let me make this comment: Tomorrow you may well be making the decision who will be the Republican nominee for President of the United States. If you want a Republican candidate to win, you should vote for Jerry Ford. He can win in 1976. And if you want a candidate at the top of the ticket to help elect Bob Taft—which is important—a candidate who will help to elect Bud Brown and the rest of the State legislative and local ticket, you vote tomorrow for Jerry Ford, who has done a good job. I want your vote. I appreciate your help.

Thanks for being here.

NOTE: The President spoke at 3:05 p.m. at the Springfield Art Center. In his opening remarks, he referred to Representative Clarence J. (Bud) Brown, Gov. James A. Rhodes of Ohio, Senator Robert Taft,

Jr., and Mayor Roger Baker of Springfield.

Prior to the President's remarks, Mayor Baker presented the President with a key and a plaque proclaiming Gerald R. Ford Day.

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Remarks in Lima, Ohio. June 7, 1976

Thank you very, very much, Kent, Governor Jim Rhodes, Senator Bob Taft, Congressman Tenny Guyer, Congressman Bud Brown, distinguished guests, all you wonderful people from Lima:

I love you. Thank you for coming out. I want to thank these wonderful bands, and may I congratulate the Elida High School baseball team.

I could tell you a lot of good things about Bob Taft and Tenny Guyer, but one thing you are very, very interested in—those two men have worked hard, and they have given more and more and more of their time to get that tank plant here in Lima. And I want to congratulate them.

Let me just speak for a few moments about peace, prosperity, and trust. When I became President of the United States 22 months ago, in August of 1974, this country was in a serious situation.

The American people, for reasons that we all know, had lost their confidence and trust in the White House. One of the first jobs that I had to do was to re-

store that confidence. And I decided at that time, the only way that a President could do that was to be open, to be frank, to be forthright, to be candid. In the last 22 months, your President has stood for those things; we have had an open administration. And the net result is the American people trust their President and have confidence in the White House.

Twenty-two months ago we were suffering with inflation of 12 percent or higher. Your earnings were being eroded. Your taxes were too high. We were on the brink of a serious recession, the worst one in 40 years. But what have we done? We've turned it around. We have done it the right way. We have reduced inflation from 12 percent or higher to 3 percent or lower. That's a 75-percent reduction in the rate of inflation. That's a darn good record.

A year ago unemployment was going up, employment was going down. We have turned it around. Right now, we have 87,700,000 people gainfully employed—the most jobs in the history of the United States. And that is a darn good record. Incidentally, we have added 3,600,000 jobs in the last 12 months, 300,000 jobs in the last month. But, I am not satisfied. I won't be satisfied until we get a job for everybody who wants a job and will look for a job.

Twenty-two months ago our Federal taxes were too high. In 1975 we cut Federal taxes a total of some \$23 billion—75 percent of it going to individuals and 25 percent of it going to business.

When I submitted the budget for this coming fiscal year, in January of this year, I decided that Federal spending was too high, and I recommended a 50-percent cut in the growth of Federal spending. And we're going to do better than that. And if the irresponsible Members of the Congress—none of these people sitting up here—send me some budget-busting, deficit-spending bills, I will veto them again and again and again.

But in January of this year, I decided we ought to have another tax cut. That's the way to give all of you an opportunity to spend your money, instead of having the bureaucrats in Washington spend it. So, I recommended a \$10 billion tax cut to begin July 1, which would include the increase of your personal exemptions from \$750 per person to \$1,000 per person. So, get the Congress to do it.

Now, let's talk about peace. When I became President, we were still at war some 8,000 miles away. That war has been ended. We have achieved the peace. We have the military capability, we have the diplomatic skill to keep the peace. And I can assure you that this administration, because we're strong, because we are skillful, because the American people have the will and the resolution, we're going to keep the peace in the future, period.

I might remind you, there is not an American boy fighting on foreign soil

and dying today. Thank goodness for that. I might add, there isn't a single young man out of the 2,100,000 who was drafted. They're all volunteers. And nobody getting through high school or college is under the eye of the draft, and the Ford administration will keep it that way in the future.

But let's take just a minute—that election tomorrow is a vitally important one. It will probably decide who's going to be the Republican nominee for the Presidency. Let me ask you a question: Do you want a Republican candidate for the Presidency who can win, or do you want one who's going to lose? I say, vote for Ford. You have a candidate who will win.

Let me ask you one other question about that election tomorrow. We can't have the right kind of Government in Washington, we can't have the right kind of government in your great State of Ohio, unless we have more Republicans in the State legislatures, unless we have more Republicans in the Congress. You want a candidate at the head of the ticket in the national election for November that can help Bob Taft get reelected—that is vitally important—that will help Tenny Guyer, that will help Bud Brown, that will help us get more candidates elected, so the Republican President can have a working majority to get the job done, to cut spending, to reduce taxes, to keep the peace, and to keep the confidence and trust that the American people demand of their Government in the Nation's Capital.

Let me just conclude with this: You know, those of us who come from Michigan, we love you Buckeyes, we love Woody Hayes ¹—[*laughter*]*—*and I love him particularly because he came out and endorsed me. [*Laughter*] But let me say this: You know, you like to beat us up in Michigan. Well, a couple of weeks ago, the voters of Michigan gave me a 65-percent majority.

BYSTANDER. We'll beat it.

THE PRESIDENT. That's what I want to hear. Nothing would make me happier than for the State of Ohio, those big Buckeyes, to beat us, the record we set in Michigan of 65 percent. Do it, and you'll have a good President for the next 4 years.

Thank you very much.

NOTE: The President spoke at 5:27 p.m. at the Lima Mall. In his opening remarks, he referred to Kent McGough, Ohio State Republican chairman.

¹ Head coach of the Ohio State University football team.

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Remarks in Findlay, Ohio. June 7, 1976

Thank you very, very much, Tenny Guyer, Governor Jim Rhodes, Senator Bob Taft, Congressman Del Latta, my old and very dear friend, your former Congressman Jack Betts, your good mayor, distinguished guests, and all of the wonderful people here in Flag City:

I love you. I understand that is the biggest Bicentennial flag ever made. Congratulations.

But you know, I would like to express my appreciation also to a couple of wonderful wives of two fine Members of Congress with whom I served—well, let's see, there is Martha Betts and Mae Guyer. I ought to thank them, too.

This has been a wonderful day in Ohio. We started in Cincinnati this morning. This crowd is fantastic, and I thank you from the bottom of my heart. It gives me a chance to look each and every one of you right in the eye and tell you why I think tomorrow's election is vitally important and why you ought to go out and vote for Jerry Ford in tomorrow's election.

In August of 1974 when I became President of the United States, this country was in trouble. The American people had gone through a difficult time. There had been a great loss of trust and confidence in the White House itself. The United States was going through an economic disaster. Inflation was over 12 percent. Unemployment was beginning to rise. Employment was going down. Taxes were too high. Our allies abroad were uncertain as to what the United States would do, whether the American people and this government had the will and the resolution to meet the challenges. Our adversaries around the world were wondering whether they should be tempted to take advantage of this unfortunate situation.

I became President in probably as difficult a time as any President ever assumed that great office. We started out first recognizing that we had to achieve peace, we had to turn the economy around, and we had to restore trust and confidence in the White House itself. So, right from the very first day, your President decided he would be open, he would be candid, he would be forthright, he would be straightforward with the American people. Your President decided he would not promise anything more than he could produce and he would produce everything that he promised, and he has.

Then we had the problem of inflation, growing unemployment, fewer jobs,

and we decided that we had to take a firm, steady course to correct the problem.

What's happened? In the last 12 months we've added 3,600,000 more jobs, 700,000 of them in the month of April, 300,000 more in the month of May. Last Friday, the Department of Labor announced that we had 87,700,000 people gainfully employed in this country—the highest number in the history of America. That is a good record. But it's not good enough. I'm not going to be satisfied until we get over 90 million people gainfully employed in the United States. And President Ford won't be satisfied until everybody who wants a job, who's looking for a job, gets a job in the United States of America.

I said a moment ago that Federal taxes were too high. So, last year I recommended to the Congress—and the Congress approved—a \$23 billion tax reduction, 25 percent of it to go to business so they can modernize, so they can upgrade their capability, and 75 percent of it went to the individual taxpayers of this country. And that helped to take us out of the recession.

At the same time, I said the Federal Government was spending much too much money, so in January of this year I recommended to the Congress that we cut the growth of Federal spending by 50 percent, and I said we needed another tax cut on July 1 of this year which would include an increase in the personal exemption from \$750 per person to \$1,000 per person. That is what the Congress has got to do for you.

But then we ought to make some other adjustments in Federal taxes. As I was driving up here from Lima, I saw the beautiful farmlands on each side of the interstate highway. Those are family farms and, as I drove in here to Findlay, I saw some of what are obviously family-owned businesses. What we want to do is to protect the family farm. We want to make certain that family businesses don't go to the Federal Government.

So, I recommended to the Congress a few months ago two things to take care of that problem. Number one, we would increase the estate tax exemption so that the owner of a farm could pass it on to the next generation, so the owner of a business could pass it on more easily to the next generation. And I recommended also that a transfer of property from husband to wife would be tax free. I think that is right.

And now, speaking about agriculture, you know the American farmer has produced under our administration the greatest corn crop, the greatest wheat crop, the greatest soybean crop in American agriculture—once we got the Federal agents off your back and out of your hair, you could produce.

And let me say very specifically, under the Ford administration we will

never let the American farmer and what he produces be a pawn in the foreign policy decisions of this Government.

But let's take the last—peace. When I became President, we were still engaged in that conflict some 8,000 miles away. It is over and, because we are strong, because we have the diplomatic skill to do the job, we are at peace, and we are going to stay at peace because our allies respect us and our adversaries also respect us. And let me point out, as Tenny Guyer did, your great Congressman, there isn't an American boy fighting on a foreign soil and dying on a foreign soil under this administration.

Now, let's talk about tomorrow. You've got a big decision to make. If you want to nominate a Republican candidate for the Presidency who can win in November, if you do, vote for President Ford. If you want a candidate on the Republican ticket who can help to reelect Bob Taft, who can help to reelect Tenny Guyer, who can help to reelect Del Latta and all of the other Republicans and add to the number of Republicans in the House of Representatives, in the Senate, if you want a Republican at the head of the ticket who will help Jim Rhodes get some more State legislators, if you want a Republican at the head of the ticket that can help get Republicans elected in the courthouse, you go out there tomorrow and vote for President Ford and his delegates. That is the way to do it.

Now, you know I come from that State up north—[*laughter*]¹—as my great friend Woody Hayes¹ says, “that school up north.” Now, you have given us a hard time the last few years, and we take it. But let me challenge you. A few weeks ago the voters of the State of Michigan gave me a 65-percent majority. Can Ohio beat that tomorrow?

Woody Hayes was down in Columbus a couple of weeks ago, and Woody Hayes—as much as he has some reservations about any Michigander, he came out and endorsed me. That was the greatest compliment I could have received.

And I say to all of you wonderful Buckeyes, nothing would make me happier than to have that vote come in about 8:15 or 8:30 tomorrow and indicate that the voters in the State of Ohio had beaten Michigan and given me 66 percent of the votes. That would be perfect.

So, let me thank you wonderful people from Findlay, in the Flag City of America—the largest Bicentennial flag—it is an inspiration to each and every one of us.

I ask you to support me tomorrow—go to the polls—because we have achieved the peace, we are turning the economy around, and we're going to have a healthy,

¹ Head coach of the Ohio State University football team.

prosperous economy, and President Ford has restored the trust and confidence of the American people in the White House. I want your help. I want your vote.

NOTE: The President spoke at 6:47 p.m. at the Elks Lodge. In his opening remarks, he referred to Representative Tennyson Guyer.

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Remarks and a Question-and-Answer Session at Bowling Green State University in Bowling Green, Ohio. June 7, 1976

Thank you very, very much, Congressman Del Latta, Dr. Moore, Governor Rhodes, Senator Bob Taft, Congressman Bud Brown, Congressman Chuck Whalen, Mr. Shanklin, students, faculty, and guests of Bowling Green State University:

It's great to be here. I have been looking forward to it. I have been here before. And let me say, it is a pleasure to be here at the home of the Falcons.

When I left home to go to the University of Michigan a few years ago, some people called it leaving the nest. Here in Bowling Green I hear you have a nest of your own that some people never seem to leave. [*Laughter*] But I am not sure whether they are talking about the Falcon's Nest¹ or the campus cemetery. [*Laughter*]

Well, I had a prepared speech, and now I am going to talk to you straight.

I have had a wonderful trip to the great State of Ohio today. We started in Cincinnati. We went up the western side of the State stopping in seven or eight communities, and the warmth and the reception of the people of Ohio has been just tremendous. And it is culminating here in this fantastic gathering here in the Bowling Green State University fieldhouse, gymnasium—whatever you call it. [*Laughter*] It's a wonderful facility, and I congratulate you on having a beautiful campus.

But let me talk about some things that I think interest everybody—students, faculty, townspeople—and I ask you to go back just about 22 months ago when I became President of the United States. This country was in tough shape. We had serious problems; we had gone through a traumatic experience.

August of 1974 wasn't the happiest period in the history of the United States. August 9, I became President. The American people had lost confidence and trust in the White House itself. The American people were faced with some serious economic problems. Inflation was going along at a rate of 12 percent

¹ A local bar.

or better. We were on the brink of the worst economic recession in 40 years. Unemployment was about to soar, and employment was about to plummet.

We were faced with serious problems around the world. Our allies were wondering whether we had a will and a resolution to continue the kind of foreign policies that had been successful for the free world ever since the end of World War II. Our adversaries around the globe were tempted, I'm sure, as to whether or not they could or should take advantage of the uncertainty and the problems we faced at home.

It wasn't an easy job to take that oath of office and say we had to turn things around. And let me say the first and most important responsibility was to restore the confidence and trust of the American people in the White House itself.

I was very pleased to hear Del Latta, who I served with for 18 years, make the comments that he did. But I decided that the Ford administration, right from the first moment after the oath of office, would be straightforward, would be candid, would be open, would be willing to talk to anybody, whether I agreed with them or disagreed with them, because all of the wisdom does not reside in that little Oval Office. It resides in some 215 million Americans, young and old.

I was checking the other day, and in the 22 months we have had 15,000 people come into the West Wing of the White House and either talk to me or the top people in my administration. They have been farmers, they have been workers, they have been minorities, they have been businessmen, they have been academicians. We want to get the full benefit of the views and the criticisms of the American people.

Therefore, I think in all honesty that I can say to all of you here at Bowling Green State University, this President has restored the faith and confidence that's needed and necessary in the White House if we are going to do a job for our country.

Let's talk about the economic problems. I said inflation was at 12 percent or more. We were about to hit the kind of a recession that had never hit us since the days of the 1930's, during the depression, when I was going to the University of Michigan. We had to do something about it. The question was whether we should have faith and trust in the great free enterprise system or whether we were going to load up the payrolls around the country with the taxpayers' money and come up with some alleged quick fix that had been tried in the past but had not really solved the problems.

So, I decided that it was needed and necessary to have faith, trust in the sys-

tem that had given this country so much in the 200 years. You know a little history doesn't hurt. When this country started with 13 poor, struggling Colonies, they faced adversity beyond comprehension but they believed that an individual ought to have the right to pursue his occupation without the heavy hand of government resting on his shoulder or hitting him over the head.

The kind of system that our forefathers gave us permitted this country to grow to the wonderful land where some 215 million Americans have more opportunities and more blessing than any other country in the history of mankind.

So, we decided that we would give the free enterprise system a chance. And what has happened? First, inflation, which was 12 percent or more, is now 3 percent or less for the first 4 months of 1976, and that's a good record.

And what does that mean? It means that the paycheck that the man in the factory, the student—in 1976, he's got more spendable income than he can use, and use as he wants to. He's not robbed by the ravages of inflation as he was when I took that oath of office in August of 1974.

But we are going to do better. We are going to stay the course, and we are going to get the rate of inflation down to the kind of a level where this country can grow and prosper, and people, whether they're on fixed income or working in a factory or tilling the soil or teaching in this university, or students who are going here, will get a fair shake and not be robbed day after day after day by the kind of inflation we had in 1974.

Then, just about a year ago, we were in the depths of the recession. We had to do something, and again I had some faith and trust in the kind of a system where five out of six jobs in this country come from the private sector—and those are permanent jobs that give some opportunity for advancement for the young people who go from high school or college into the working world.

And what's happened? In the last 12 months, 3,700,000 more people are gainfully employed in America—300,000 more in the month of May, 700,000 more in the month of April. We had announced last Friday afternoon or Friday morning by the Department of Labor that 87,700,000 people are gainfully employed in this country—an alltime record, and we should be darned proud of it.

I'm not going to talk about unemployment statistics. Let me put it this way: 87,700,000 jobs, an alltime record. That does not satisfy me. We are going to get 90 million jobs as soon as we possibly can, and we are well on the road for that objective.

Let me add one final note: President Ford is not going to be satisfied until everybody has a job who wants a job. That's the only criteria by which this

administration will judge whether we are going well or badly. Everybody who wants a job has to have a job under this administration. But let's talk for just a minute about how we did this.

In January of 1975 I recommended to the Congress that if we were going to beat inflation and provide the kind of economic opportunity for people who needed jobs, we had to put a lid on the growth of Federal spending. We had to also give some tax relief in order that people—the working people, the farmer, the academician, the professional man, anybody—could have more money in their pockets so they could spend it, so they could provide the kind of incentive for people to modernize their plants, to expand their facilities.

We gave 75 percent of a \$23 billion tax cut to the people of this country, the individual taxpayers. The other 25 percent we gave to the business community. Business has to expand. Business has to have an incentive to modernize. And the net result is we started to turn this economy around.

Then last January of this year, I decided that the rate of growth of Federal spending needed another cutback, and I recommended that instead of a \$54 billion growth figure in Federal spending we ought to cut it in half, And I recommended to the Congress that they put a lid on it, and I also recommended that we have another tax reduction on July 1 of this year.

And what kind of a tax reduction did I propose—and this is the thing that in my judgment will really keep us moving to give jobs and to whip inflation—it seems to me that as I looked over the Internal Revenue Code for the last 20 years the middle-income people in this country had gotten shortchanged. So far as personal income taxes are concerned, I said, “House and Senate, Congress of the United States, you better increase the personal exemption from \$750 per taxpayer to \$1,000.” They haven't done it yet, so you better get after them because that is what we ought to do to keep this economy moving and to get equity and fairness in our Internal Revenue Code.

But there is another area of taxation that I think all equity and fairness demands that we do in the Federal Government. We haven't treated the family farmer, the small businessman appropriately. Do you realize that in 1942 they set the estate tax exemption—it has not been changed since 1942, since \$60,000. In the meantime, family farms have had to be sold, small businesses have had to be sold as it went from one generation to another. Those kind of operations are the strength and the core of this great country of ours.

So, I proposed to the Congress that they go from \$60,000 to \$150,000, and they make it so that when a piece of property—whether it is a family farm or a family

business—goes from the husband to the wife or from the wife to the husband, there is no Federal estate tax that has to be paid.

Now, let me say that the job isn't done because we have got to sell 535 Members of the House and the Senate, or at least the majority of them. Give me some help. We will get the job done.

I talked about confidence and trust. I talked about the progress we have made in the economy and how we are going to keep it moving. Now, let's talk about peace. When I became President we were still engaged in a long and costly and tragic conflict some 8,000 miles from here. That war is over. We have peace. And we have the military capability, we have the diplomatic skill to maintain that peace. And the Ford administration is going to keep the peace.

Let me just talk about how we are going to do it. First, we have strengthened our relationships with the NATO allies in Western Europe. The NATO forces today economically, diplomatically, militarily are stronger and more competent to meet any challenge from the Warsaw Pact. We have strengthened our relationships with our allies in the Pacific, the Japanese and the others who have stood with us over the years. We are continuing to make progress and headway with 800 million people in the Government of the People's Republic of China. We are meeting with the Soviet Union to try and put a cap on the nuclear weapons that could, as we all know, start a holocaust that could destroy mankind. I happen to think it makes much more sense to negotiate rather than to confront.

There isn't a scintilla of evidence that the Ford administration has given up anything to the Soviet Union or to the People's Republic of China. We can talk. We can discuss. Let me give you an illustration of something that we did and got some success with. For 25 years American Presidents have been trying to negotiate the peaceful experiments in nuclear explosions. We have been trying for 25 years to get onsite inspection in the Soviet Union, to see whether they were living up to those agreements. I just signed, about 10 days ago, a negotiated settlement that gives the United States the right to make certain, to make positive in the Soviet Union, that the agreement they signed is lived up to, and that is progress under this administration.

Let me tell you about a meeting that we're going to have down in Puerto Rico the latter part of this month called Rambouillet II. Last November, it was decided that the heads of government of West Germany, of France, of Italy, from Japan and Great Britain and the United States, ought to meet to see what we could do to coordinate our economic efforts so that the depressions or recessions, whatever they were, in those countries and in America, could be ended as quickly

as possible, so we could whip inflation and get more jobs in the industrial democracies of this country. That meeting was helpful, beneficial. It was the kind of a meeting that was beating the problem before it became a crisis.

The meeting we're going to down in Puerto Rico in a couple of weeks is the kind of a meeting that is going to react ahead of a crisis and not wait until a crisis occurs, and that makes sense.

Let me just conclude with this. As far as foreign policy is concerned, we have got the peace, we are going to keep it, and I remind you tonight of two things: The United States has no American fighting forces on any battlefield anyplace in the world. Our American forces there are for peace and not for war. I might say that the Ford administration is not going to assign any U.S. troops to southern Africa.

But now, let me make a little different pitch, if I could. You have got a big decision to make tomorrow, all of you who are eligible to vote. You have got to decide, if you are a Democrat, who you are going to select in that ballgame. But if you are going to vote in the Republican primary tomorrow, I want you to take a look at my record—peace, prosperity, the restoration of trust. It is a record. And, furthermore, I think that if I am the nominee leading the party that I represent, I can be elected and I can carry on the record for the next 4 years.

One other fact: If I am the nominee—and I expect to be—I can help restore some balance in the United States Congress, in the House as well as in the Senate. I think President Jerry Ford being the Republican nominee can help Bob Taft get reelected to the United States Senate. Let me assure you for the benefit of Ohio and the United States, he darn well better be reelected to the United States Senate.

But let me add this: The Congress needs some balance, and I think it needs some changes. I think the Congress can do a better job, and I spent 26-plus years there, and I think we need some better balance and some new faces. And let me say this: We can get that if President Ford is leading the Republican ticket.

You know as much as I happen to believe in a healthy and prosperous automobile industry—coming from Michigan that's almost an absolutely mandatory point of view to have—but I don't think 1976 is the year that you ought to trade in a reliable Ford for a flashier model. [*Laughter*]

And one other point: You know, there is a school down in Columbus that has been giving my alma mater a hard time. I saw Woody Hayes¹ the other

¹ Head coach of the Ohio State University football team.

day, and I was delighted that Woody endorsed me. And I am very pleased that he indicated without any hesitation or qualification that he was going to vote for me. But, you know, there is one time I would like the State of Ohio to beat the State of Michigan. A couple of weeks ago we had a primary up in Michigan, and I got 65 percent of the votes. I challenge you in the State of Ohio to beat that record.

Thank you very much. I do ask you seriously—I think I have done a good job. I have been open and candid, and we have restored the trust, we have turned the economy around, and we have achieved—and we are going to maintain—the peace. That is a record I am proud of, and I want your help and your vote tomorrow.

Thank you very much.

You know I've had a long, hard day, but this is a great audience, and I've talked for a few minutes. If you've got about four or five questions, I'll answer them for you.

QUESTIONS

VIETNAM-ERA DRAFT EVADERS

[1.] Q. [*Inaudible*—draft evaders.

THE PRESIDENT. I'll be glad to answer that question. The first couple of weeks that I was in the White House I decided that we would give individuals who had been draft evaders or had left the country for one reason or another—[*inaudible*—I said that I would give them an opportunity to earn their way back and clear their records. There were about 120,000 of them, and about 25,000 of them applied, and they've gone through the process. They have cleared their record, and I'm darn glad of it. And I think it was a good program.

EMPLOYMENT OPPORTUNITIES FOR COLLEGE GRADUATES

[2.] Q. Mr. President, you spoke favorably about your employment record, but I am finding a lot of college students are going out to find jobs and are not finding them appropriate with their degree plans. I just wonder if that is a concern of your administration. What have you done, and what are you planning to do to alleviate the problem?

THE PRESIDENT. Let me say it is a matter of deep concern to this administration, and a year ago the situation was even more precarious and much more serious. But I have checked the circumstances very carefully, and I have had the

Department of Labor and the Department of HEW take a look at the situation. The circumstances in 1976 are far, far better than the circumstances were a year ago. They are not as good as we are going to have them, and I can't promise every one of you who graduates this year the kind of a job you want, but the opportunities are there a lot more than last year. And this administration is going to make certain that in the years ahead those opportunities are available for talented, well-educated, well-motivated young people, including the kind that you are.

HUMPHREY-HAWKINS BILL

[3.] Q. Mr. President, still on the employment issue, would you please comment on the Humphrey-Hawkins act?

THE PRESIDENT. The question is, what do I think about the Humphrey-Hawkins bill. Let me say very categorically, I don't think it will work. Therefore, I am against it.

Let me tell you why. They have some unrealistic aims and objectives. They have the wrong way to go about it, and it will be absolutely inflationary because it will put a heavier and heavier burden on the Federal Treasury, adding to the deficit which inevitably means more and more and more inflation. It is a bad program for the solution of our problems here in America.

INVESTIGATION OF AMERICAN BUSINESS ACTIVITIES IN FOREIGN COUNTRIES

[4.] Q. Mr. President, in March you set up a Cabinet-level task force to investigate the recent bribery scandals. Has Mr. Richardson or that task force reported their findings to you, and if so, how do you tend to lead the American multinational corporations regarding this question?

THE PRESIDENT. About 2 months ago I appointed Secretary of Commerce Richardson to head a task force to study the problem of bribery by American business in foreign countries. It is a matter that we have to resolve if our American businessmen are going to be able to compete and live within the law of those countries and the United States.

I imposed on them a demand that they report to me every quarter. The first quarter has not expired, but I can assure you that it is a top-level group. And most of you know of the absolute integrity and the capability of Secretary of Commerce Richardson. We expect an answer probably some time by around the first of July, and I can assure you his recommendations will be carried out by this administration to stop American business bribing in foreign countries or in the United States.

SOCIAL SECURITY SYSTEM

[5.] Q. Sir, could you comment on the social security retirement benefits problems, the fact that social security seems to be running out of money?

THE PRESIDENT. The Social Security Trust Fund is now about \$40 billion. It is running a deficit this 12 months of about \$4 billion. If nothing is done about it, the deficit for the next 12 months will be about \$4½ billion, and it will finally get down to zero. Something has to be done about it because millions and millions of Americans—32 million of them at the present time—have earned and retired and expect a retirement income. And literally thousands and thousands and even millions are going to retire in the future, expecting that they have made an investment by the deduction of their taxes and expect their government to treat them fairly. It's a situation that has to be met head on.

In January of this year, I recommended a solution. Unfortunately, the Congress had not faced up to it. They are going to pass it off until the next term of the Congress. They have been doing that far too long. And if we don't do something about it, we won't be treating fairly either the people who are retired or the people who are working and expect to retire. So, give me some help and get the Congress moving on this.

One more. I can't resist this beautiful young lady here.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[6.] Q. I was just wondering, what kind of person are you looking for for Vice President?

THE PRESIDENT. Well, Betty tells me I ought to have a gal.

To be serious, I want—and this is the absolute criteria—the person that I select to be my Vice-Presidential running mate has to be fully capable, totally qualified to be President of the United States. That is number one. After that, we have a whole range of things that have to be put into the formula.

I think it is premature to make a final selection. We have lots of good Republican talent, and we will pick a good one, but that person, I can assure you, will be qualified to be President of the United States. And that is the only basic criteria that has to come.

Thank you all very, very much.

NOTE: The President spoke at 8:03 p.m. in the Anderson Arena Memorial Hall. In his opening remarks, he referred to Dr. Hollis A. Moore, Jr.,

president, and Charles E. Shanklin, president of the board of trustees, Bowling Green State University.

581

Exchange With Reporters on Departure From Toledo, Ohio.
June 7, 1976

Governor Rhodes, Bob Taft, Del Latta, and all of the other members of the congressional delegation:

I want to thank you for being such wonderful hosts and wonderful supporters. I can't express deeply enough my appreciation for the wonderful, unbelievable warmth and generosity of the people of the great State of Ohio during this long but very, very warming day.

I want to thank everyone, the Governor and the whole group who have really come out and worked with me in trying to make certain and positive that our program is one that the people of Ohio understand, that the people of Ohio like, and the people of Ohio will support.

Now, it has been a great day here, and I met with the press, and we are about to leave to go back to Washington. I will be glad to answer a question or two if you have any.

REPORTER. Mr. President, could you tell us what happened back at the university and your reaction, how you feel about it?

THE PRESIDENT. As I understand it, just a little bulb from one of the cameras exploded, and it sounded like it might be ominous, but it turned out just to be a little bulb. And I look pretty healthy, don't I? [*Laughter*]

Q. Mr. President, there was a report tonight that some Republicans are a little angry about the California spots and were threatening to withhold support for the convention. Will you comment on that, sir?

THE PRESIDENT. Let me say, as I understand the spots, they told the truth as to what my opponent said and they told the truth as to what I said. The American people want the truth, and I think it is the obligation of the candidates to tell the American people where they stand. As long as we tell the truth, I think the American people will support it.

Q. Mr. President, you spent the early part of your campaign saying that you and Ronald Reagan had almost identical philosophies. Now you say Mr. Reagan may be a dangerous man to have in the White House. How do you reconcile that?

THE PRESIDENT. Those are your words, not my words. I have never said that.

Q. Do you still have the same philosophy?

THE PRESIDENT. I have said that, basically, on domestic philosophy our views

are reasonably similar. I have said that we do have some differences in foreign policy. And those foreign policy differences have been well expressed by him on his side, and by me on my side, but I didn't say what you said I said.

Q. Do you think that the Congress is investigating the Wayne Hays scandal with enough vigor?

THE PRESIDENT. I won't pass judgment on what the Congress is doing in that case. That is their responsibility. I am sure that it will be carried out, but I am not going to pass judgment on it.

On the other hand, as you know, the Department of Justice, which is in the executive branch, is carrying out its responsibilities, and I am sure they will do a good job.

Q. Your campaign manager, Rogers Morton, said it might be another Democratic Watergate.

THE PRESIDENT. Well, I don't want to pass judgment on the allegations until they have been investigated by both the House as well as the Senate as well as the executive branch and the Department of Justice. When the investigations are concluded, why, then, I will see what the results are.

Q. Mr. President, I know you think you will win (inaudible). Other than winning at the convention, what scenario do you foresee in sight if you get (inaudible)?

THE PRESIDENT. I am so encouraged by what we found in Ohio today and what I found in New Jersey yesterday and the encouragement in California—even though admittedly we are an underdog—I am more fortified than ever that we are going to get the nomination on the first ballot in Kansas City.

REPORTER. Thank you very much.

NOTE: The exchange began at 9:50 p.m. at the Toledo Express Airport. In his opening remarks, the President referred to Governor James A. Rhodes

of Ohio, Senator Robert Taft, Jr., and Representative Delbert L. Latta.

582

Message to the Congress Reporting on Administration Efforts To Settle the Cyprus Conflict. June 7, 1976

To the Congress of the United States:

Pursuant to Public Law 94-104, I am submitting my fourth periodic report on the progress of the Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In previous

reports I have detailed the Administration's efforts to revitalize the negotiating process so that the legitimate aspirations of all parties, and particularly those of the refugees, could be accommodated quickly and in the most just manner possible.

Differences on procedural issues have long prevented the Greek-Cypriot and Turkish-Cypriot communities from broaching such critical issues as territory, the form and function of the central government and other constitutional issues. Throughout the period since the hostilities of 1974, we have consistently urged serious consideration of these issues. As my most recent report indicated, an agreement was reached at the February round of the Cyprus intercommunal talks in Vienna, held under the auspices of United Nations Secretary General Waldheim, to exchange negotiating proposals on the key substantive issues of the Cyprus problem. When both sides submitted proposals in April to Secretary General Waldheim's Special Representative on Cyprus, a new impasse developed which delayed a complete exchange on the territorial question. Additionally, in April, Glafcos Clerides resigned his position as the Greek-Cypriot negotiator. These developments, with the subsequent appointment of new Greek-Cypriot and Turkish-Cypriot negotiators, resulted in the postponement of the next negotiating round which had been scheduled to take place in Vienna in May.

On April 15, I invited Greek Foreign Minister Bitsios to the White House for a very useful exchange of views on developments relating to Cyprus.

In addition, the United States and other interested parties maintained close contact with Secretary General Waldheim to support his attempts to resolve these difficulties and resume the intercommunal negotiating process. These efforts culminated in discussions on the occasion of the Oslo NATO Ministerial meeting in late May where Secretary of State Kissinger held separate meetings with Turkish Foreign Minister Caglayangil and Greek Foreign Minister Bitsios, following which the Greek and Turkish Foreign Ministers met together to discuss outstanding bilateral issues including Cyprus. In the course of this process, the Secretary of State stressed the absolute need to move expeditiously to discuss the key outstanding Cyprus issues.

The Secretary of State also publicly emphasized our continuing concern that a rapid solution of the Cyprus dispute be achieved and reiterated the firm position of this Administration that the current territorial division of the island cannot be permanent.

Following the meetings in Oslo, views on territorial issues were exchanged by the two Cypriot communities, and it should now be possible to reinstitute the negotiating process under the auspices of UN Secretary General Waldheim.

The United States will continue to contribute actively to these efforts aimed at a solution to the Cyprus problem. I remain convinced that progress can be registered soon if mutual distrust and suspicions can be set aside, and each side genuinely tests the will of the other side to reach a solution. For our part, we shall remain in touch with Secretary General Waldheim and all interested parties to support the negotiating process. Our objective in the period ahead, as it has been from the beginning of the Cyprus crisis, is to assist the parties to find a just and equitable solution.

GERALD R. FORD

The White House,
June 7, 1976.

583

Remarks at a Meeting To Discuss the Collapse of the Teton Dam in Idaho. *June 8, 1976*

GILBERT G. STAMM [Commissioner, Bureau of Reclamation]. There are probably three aspects to the problem. And of course the initial one is the dam, Teton Dam itself.

THE PRESIDENT. Is that where the dam is?

MR. STAMM. (*indicating on map*) The dam is approximately where I am pointing. It is in a canyon on the Teton River. We were aware of an unstable foundation and we took extreme care in the specifications and in the implementation to seal off the foundation. We installed what we call a grout curtain, but not one, but three. We put in a triple grout curtain and ran it a thousand feet back from the canyon wall and ran it down to the impervious lake sediments, about 250 feet below. So, theoretically, what happened couldn't happen, but it did.

So, our job now is to identify precisely what caused the problem. And we are forming a blue ribbon team of non-Federal people—world recognized engineers, and we are also making our own independent investigation to find that trouble, and that will take some little time. We may have to tunnel into that embankment, that abutment, and that will take some time.

The next two aspects are the devastation downstream. Downstream from the dam to about Idaho Falls, the lands were flooded and there was terrific devastation—homes lost, trailer courts, lands washed away, irrigation systems washed out. And I think for the image of the Federal Government, as well as the welfare of the people, we need to move in immediately and start something there.

There is another aspect, however. From Idaho Falls down to American Falls reservoir there are about 400,000 acres of highly productive lands, all irrigated, all dependent upon headings from the river. Those lands are not flooded and will not be flooded, but the headings themselves are being washed out. I think I would place that number one priority—to move in there and protect or restore, or replace those headings because if those lands go 10 days or 2 weeks without irrigation, we will have additional terrific crop loss from lands that are not affected at all by the flooding directly.

So, I would say the number one priority is to protect these lands. Number two, and almost in the same priority, is to get equipment out there within 24 hours, if possible, to demonstrate to the people that we mean business and we are ready to go.

THE PRESIDENT. Can you really do certain things that will preserve the farm areas?

MR. STAMM. Yes, we think so.

SECRETARY OF THE INTERIOR KLEPPE. Mr. President, that is the part I would like to come down on the hardest. We ought to use whatever authorities are available to us to get action within 24 or 48 hours. I understand FDAA has already asked us and the Corps of Engineers to join together and do what we can to bring about saving those lands, not because of possible devastation but because of drying up, because of irrigation problems that we understand can be solved and, therefore, that becomes very, very important. At this point I think that is the most critical thing.

MR. STAMM. We have several agencies that are competent to negotiate contracts immediately—the Corps of Engineers, Bureau of Reclamation, Soil Conservation Service, and we would propose—and we have already started.

THE PRESIDENT. What is the mileage from the dam down to this area here?

SECRETARY KLEPPE. South Idaho Falls?

MR. STAMM. Each one of these squares is 6 miles. You get down to about 55 miles in flood damage.

THE PRESIDENT. Rexburg was here, Sugar City?

SECRETARY KLEPPE. That is correct.

MR. STAMM. Sugar City was the very first city that was hit below the dam and Rexburg was the next, and those two were the hardest hit. I happen to have a few pictures here, more are coming. That is Sugar City at the height. By the time I got there Sunday afternoon this had largely receded. Many of the buildings had been washed off their foundations, but the foundations were exposed

and the return flow from this water to the river was causing a second crest down the Idaho Falls and that is what is moving down the river now.

THE PRESIDENT. At the height of the water flow, how deep was it in Sugar City?

MR. STAMM. I would estimate about 7 feet but that is purely an estimate. The press took a number of pictures, and I think they took the ones that they felt were the worst situations. And I saw one where the water line in the living room of the home was within a foot or a foot and a half of the ceiling, so that would indicate the height was about 6 or 7 feet.

THE PRESIDENT. How much warning did these people have from the time—

MR. STAMM. About 2 hours. The first leak that was of any concern was discovered about 8:45 in the morning. We got the first notice to the sheriff about 10 o'clock. I got a precise recording of that, but that is essentially it. We ordered the contractor in to try to do some emergency work. He had two large caterpillars in there by 11 o'clock. Both were lost. The operators were saved. At 11:57 the dam went out. And assuming—as I say the specifications and the implementation appeared to be excellent, but the fact that the water got there (*indicating on map*) means it had to have gone around there some way and followed back closely to those curtain walls or got through the curtain walls some way. The only way we can find out for sure is to tunnel in there.

THE PRESIDENT. What is the best estimate of the loss of life at the present time?

RICHARD L. FELTNER [Assistant Secretary of the Interior for Marketing and Consumer Services]. The most recent, an hour ago, was 7 dead, 153 injured, and missing varies from hour to hour, between 80 and 135. People keep on showing up. In other words, there were scouts—

SECRETARY KLEPPE. Scouts have turned up people that were called missing. So we are down to about 50, I think, that are still missing.

THE PRESIDENT. When I called Governor Andrus Saturday night about 10:45 the count was 150.

MR. STAMM. The first estimate was 150. When I was there the confirmed dead were four, with a possibility of five. Now, you said you had a later report.

SECRETARY KLEPPE. Seven, and one of those injuries there is one that is listed as serious.

MR. STAMM. And the fact there was not greater loss was due to the fact we had tremendous support from the National Guard, the sheriff's office, the radio-TV media, all concerned. Because the time was short, everybody cooperated.

NOTE: The meeting began at 12:25 p.m. in the Oval Office at the White House. Thomas P. Dunne,

Administrator of the Federal Disaster Assistance Administration, also attended the meeting.

584

Message to the Congress Transmitting Annual Report on the Administration of the Radiation Control for Health and Safety Act of 1968. June 9, 1976

To the Congress of the United States:

I transmit herewith the 1975 annual report on the administration of the Radiation Control for Health and Safety Act (Public Law 90-602), as prepared by the Secretary of the Department of Health, Education, and Welfare.

The report's only recommendation is that the requirement for the report itself, as contained in P.L. 90-602, be repealed. All of the information found in the report is available to Congress on a more immediate basis through congressional committee oversight and budget hearings. The Department of Health, Education, and Welfare has concluded that this annual report serves little useful purpose and diverts agency resources from more productive activities.

GERALD R. FORD

The White House,
June 9, 1976.

NOTE: The 97-page report, prepared by the Department of Health, Education, and Welfare, is entitled "1975 Annual Report—Administration of

the Radiation Control for Health and Safety Act of 1968, Public Law 90-602, April 1, 1976."

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Exchange With Reporters on the Results of the New Jersey, Ohio, and California Primary Elections. June 9, 1976

THIS WEDNESDAY is a little better than a couple we have had. In fact, it's a very good day because we had, I think, an excellent day yesterday in New Jersey. We have a minimum of 65 out of 67 and a distinct possibility that we will get the extra 2. In Ohio—and I just finished talking to Governor Rhodes¹—we have 91 out of 97, and one of the districts is very, very close, and there is a distinct possibility that we could pick up that one.

So, the net result is we are getting very close to the thousand delegate count. We are 150 or so shy of the necessary 1,130. But it's getting better and better,

¹ Gov. James A. Rhodes of Ohio.

and we think as we go to the convention that we will get the necessary 1,130-plus in order to get the nomination on the first ballot.

I will be glad to answer any questions.

REPORTER. Mr. President, how do you intend to proceed to get the 150, and have you had any commitments?

THE PRESIDENT. Well, we are going to maximize our effort, but I don't think we're in a position to discuss the precise procedures as to how we will work with the uncommitted delegates. There are a number there that are honestly making up their mind, and it's our view that we can convince them by using the argument that we did in Ohio.

I am electable, and I can help to elect more Republican Members of the House and Senate. Delegates understand that. They want to vote for a winner in November at the Kansas City convention, and they want to pick a nominee that will help elect more Republicans to the House and Senate and more State legislators.

Q. Mr. President, will that argument hold as well against Jimmy Carter as it would against, say, Hubert Humphrey, since Mr. Carter is not from Washington?

THE PRESIDENT. Frankly, I haven't thought about just what arguments we will use, because although it looks like Jimmy Carter is going to be the nominee, we take first things first.

Q. Mr. President, Jimmy Carter has said that if he is elected President, he would pardon all of the Vietnam draft dodgers and evaders. Have you thought about reassessing your position on that, or what would you do if elected?

THE PRESIDENT. I answered that in Bowling Green State University the other night when I indicated that in September of 1974, I put forward a program whereby those who had been draft dodgers or draft evaders could come in voluntarily and earn their way back and clear their records. About 20,000 of them, as I recall, did. We extended the time about 90 days beyond the original date, and all of those who wanted to are in the process or have completed it. And I regret that more didn't, but I have no plans to go beyond that.

Q. Mr. President, do you anticipate a series of platform fights leading up to the convention?

THE PRESIDENT. It's possible, but it's premature to know exactly how that might develop.

Q. Mr. President, assuming you get the nomination, are you willing to engage in televised debate with your Democratic opponent?

THE PRESIDENT. We haven't discussed that at the present time. I wouldn't rule it out or commit myself to it.

Q. Mr. President, our poll, the New York Times-CBS poll in Ohio, indicated that many Republicans felt that this battle between you and Mr. Reagan had become divisive and was hurting the party. How do you look at it now? How much damage has been done to the Republican Party as a result of this?

THE PRESIDENT. I don't think much damage has been done to the Republican Party. I was very pleased to see on the news last night that Mr. Reagan had indicated that if I won the nomination, he would support me. And I have indicated that I have traditionally supported the Republican nominee, and I would again. So at least the two contenders are in agreement, and I think that's healthy. I think it would be reflected in the delegates to the convention and to the Republicans in all 50 States.

Q. Mr. President, now that the primaries are over, I wonder if you and your people will continue to harp on this thing about Rhodesia, what Mr. Reagan said about it. At this point, aren't you going to be talking practical politics, as you indicated earlier, in talking about the fact that you believe you are electable, instead of going back to Reagan and his remarks on Rhodesia?

THE PRESIDENT. I think we will use the theme that I used in the State of Ohio. It was very effective. I am electable. I can bring in more Republican Members of the Congress and State legislators. I have a good record. We have done a great deal to make this country a good bit more prosperous today than it was a year ago. We got peace and we've got the trust in the White House that's needed and necessary. We will be talking about affirmative things that I think will help us convince delegates in the convention. And I think it will help us win the election in November.

Q. Mr. President, the count is still very close. Hasn't Governor Reagan given you a tougher run in the primaries than you first expected?

THE PRESIDENT. I would say that it has been a tough contest. Competition has been rough. We expected to win, when we started out, in Kansas City, and we think we will win in Kansas City. We have had some disappointments but, on the other hand, we have done very, very well, such as in Ohio and New Jersey. And I think we will do well in some of the convention States.

Q. But hasn't the Reagan challenge been stronger than you expected when the primaries started in February?

THE PRESIDENT. Oh, I think that's probably true, but I don't think that's significant as long as we win.

Q. Mr. President, what does California do to this electability argument? The

former California Governor won almost 2 to 1 there. Doesn't that indicate that where he is well-known, he is also electable?

THE PRESIDENT. Well, I think you could make the same argument in my behalf in the State of Michigan and the same as far as the State of Ohio. So, it's an argument that we look at from the broadest possible perspective. And when you look at the recent poll that came out Monday—I think it was the Roper Poll—it indicated that I was almost 2 to 1 a better candidate from the point of view of the Republicans who were surveyed in that poll.

So, as you look at it from a 50-State point of view, there is no question that many, many more Republicans believe that I am electable and should be the choice of the convention in Kansas City.

Q. Mr. President, in view of the fact that Governor Carter now appears to be the sure Democratic nominee, have you begun your process of selecting a Vice President?

THE PRESIDENT. We haven't proceeded any further today than we have for the last 2 or 3 weeks. We think we have a lot of excellent material and, as we move further ahead, we will start discussing that in detail. But we haven't changed our position today from a week ago in that regard.

Q. Mr. President, do you contemplate that some smaller States, or the obscure States, will make the decision in the selection of a nominee for the party for States that have not yet picked their delegations?

THE PRESIDENT. No State is obscure in my mind. Every one of them is very, very vitally important, and we will consider them as such. So, we want all of the delegates from all of the States that we can possibly get, and each one is equally important with the other.

Q. Mr. President, as you have been campaigning you have been stressing your record and your electability. At some point, could we expect you to tell the American people specifically what you would do in your second term as President in terms of programs and goals?

THE PRESIDENT. The goals would be primarily the achievements that we have accomplished in the first 22 months—maintenance of peace, the need to increase our prosperity and make it more permanent, and the restoration of confidence and trust in the White House, which we also have made possible because of the attitude of this administration. We will get into some of the details of legislative programs, but that's premature at the present time.

Q. Mr. President, you say you are electable, but recent polls show you running behind Carter. Now, are you concerned about this?

THE PRESIDENT. I think the polls as a whole indicate that I am electable.

We have an occasional poll that shows a dip here or a dip there, but if you take the consensus of the polls, I think it proves beyond any doubt that I am electable.

Q. How do you see your chances running against Carter?

THE PRESIDENT. I think they are good.

Q. Mr. President, Melvin Laird said today that he thinks you've got the nomination in the bag. Do you think it's going to be that easy? And what do your advisers tell you about that?

THE PRESIDENT. I will just say we are going to win on the first ballot. I am delighted that my good friend, Mel, is that optimistic. But I always prepare for the worst, and the best will take care of itself. And winning by 1,131 is good, but I would like to win by more than that on the first ballot.

Q. How closely will you monitor the activities of trying to firm up delegates between now and the convention?

THE PRESIDENT. I think I will be kept up to date on just what the progress is. That is important, and I am very interested in it, obviously.

Q. Any personal contact between you and the uncommitted delegates?

THE PRESIDENT. We haven't decided yet, Ann [Ann Compton, ABC News].

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Nice to see you all.

NOTE: The exchange began at 4:05 p.m. in the Rose Garden at the White House.

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Statement Following House Action on Legislation To Extend the General Revenue Sharing Program. *June 10, 1976*

I AM extremely pleased that the House of Representatives has finally passed a bill to extend the general revenue sharing program. While the bill which passed the House does not contain many of my proposals for renewal of this critical domestic program, it does preserve the revenue sharing concept and incorporates certain changes I have proposed. I am hopeful that the Senate will proceed to consider this legislation quickly and will examine my recommendations to improve the program. The reenactment of this legislation is urgently necessary in order to avoid serious economic and fiscal problems for many States and units of local government.

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Remarks Upon Signing an Appropriations Request for the Collapse of the Teton Dam in Idaho. June 11, 1976

I AM today sending to the Congress a request for an appropriation of \$200 million to provide payments for the victims of flood damage caused by the collapse of the Teton Dam in Idaho. If additional funds are required, I will request further appropriations later.

These funds will complement our on-going Federal disaster assistance to provide further relief for injuries and damages inflicted by the flood. Claims will be administered by the Department of Interior, in accordance with regulations to be issued by the Secretary, and will be available to claimants at relief centers now in operation.

I urge the Congress to act promptly on my appropriation request to ensure that the victims of this tragic catastrophe can rebuild their lives and rebuild their communities.

I am also directing all Cabinet officers and heads of appropriate Federal agencies to work in close cooperation with the Department of Interior and the Federal Disaster Assistance Administration to deliver this and other Federal disaster assistance to the people and to the communities unfortunately affected by this tragic catastrophe.

NOTE: The President spoke at 11:55 a.m. in the Oval Office at the White House.

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Exchange With Reporters on Arrival at Springfield, Missouri. June 11, 1976

THANK YOU very, very much, Kit. I appreciate the hospitality here in Missouri. I am looking forward to spending a good part of the rest of the day here. I hope to meet as many as possible—all of them if possible—the 1,400-and-some delegates to the Republican convention in Missouri.

I will talk affirmatively about the progress that we have made in this country under the Ford administration for the last 22 months. We have restored the confidence of the American people in the White House. We have turned the economy around. We have made real headway in the battle against inflation, and we have added significantly to the number of jobs in the country to an

alltime high of 87,700,000 as of May. And we, of course, have achieved the peace. No Americans are dying on any battlefield and overseas at the present time. And we are going to just talk affirmatively about peace, prosperity, and trust.

I will be glad to answer any questions.

REPORTER. President Ford, is this fierce fight for the nomination in your opinion creating a split in the Republican Party, and if so, can it be healed by November?

THE PRESIDENT. I don't think it necessarily causes an irreparable split in the Republican Party. The people who are Republicans in the various States, I believe, will join together after the convention in Kansas City.

Q. Mr. President, what is the White House estimate of your lead as of now?

THE PRESIDENT. We feel that we are getting very close to the 1,000 mark in delegates, which means that we have to get something less than 200 more delegates to get the nomination, and we think we will.

Q. How many more than Reagan?

THE PRESIDENT. We figure 100 or more.

Q. At this point?

THE PRESIDENT. Yes.

Q. Mr. President, will you continue to attempt to raid Reagan delegates while you are here in Missouri?

THE PRESIDENT. I hope we can talk to all delegates and make sure that they understand what the differences are—the record that I have. We think all elected delegates to the national convention ought to have an open mind and have an opportunity to listen to all sides.

Q. Mr. President, what are the issues you plan to present to the 19 Missouri delegates to add to your collection before going to Kansas City?

THE PRESIDENT. The record of the Ford administration for the last 22 months, which is peace, prosperity, and trust. It's a record that I am proud of, and it's a record that I think will give us victory in November of 1976.

REPORTER. Thank you very much.

THE PRESIDENT. Good to see you all.

NOTE: The exchange began at 3:50 p.m. at the Springfield Municipal Airport. In his remarks, the President referred to Governor Christopher S. (Kit) Bond of Missouri.

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Remarks to Delegates Attending the Missouri Republican Convention in Springfield. June 11, 1976

Governor Bond, Senators Tower, Baker, and Dole, Lieutenant Governor Phelps, Attorney General Danforth, Lowell McCluskey, Gene McNary, Rog Morton, delegates, and guests:

It's great to be back in Missouri. I love it. As many of you know, I have been in Missouri a great many times campaigning for Republican candidates for all offices. As many of you know, I have been in Missouri a great many times to help raise money so we could have a strong two-party system in the great State of Missouri. So it's good to be here and to see 1,400 good delegates who are going to do the right thing for the Republican Party tomorrow.

I would like to take a very few minutes to talk positively and affirmatively about the record of the Ford administration for the last 22 months. Refresh your memory just a bit. August of 1974—this country was in serious trouble. For reasons that we all know, there had been a great loss of confidence in the White House itself. This country was facing economic chaos in August of 1974. We were suffering 12 percent or higher inflation. We were on the brink of the worst economic recession in 40 years. We were still in war. Our allies were uncertain, and our adversaries were tempted. In the last 22 months, we have turned all three around.

We have restored confidence and trust in the White House by the fact that we have had an open, straightforward, candid administration. The door is open to individuals, the door is open to people who will come in and work with us, bring us their criticism, their complaints, and their recommendations. The net result is the White House is trusted. The White House has had a restoration of confidence.

Number two, in the last 12 months we have added 3,700,000 more jobs in America. Last Friday, the Department of Labor announced that 87,700,000 people had jobs, an alltime record in the history of the United States. We should be proud of it. We have done a good job.

We have gone from 12-percent inflation in 1974 down to 3 percent or less for the first 5 months of 1976. We have reduced the rate of inflation by 75 percent. That's a good record.

Let me speak for just a minute on how we have done it. We have done it because we have held the lid on Federal spending. Most of you know that in the

last 22 months, I vetoed 49 spending bills. A majority of the Congress sent budget-busting, deficit-increasing spending bills down, and with the help of people like Bob Dole, John Tower, Howard Baker, we have been able to sustain 42 of them and save the taxpayer \$13 billion. And let me add, if this Democratic Congress sends any more like that, we will veto them again and again and again and again.

But we have turned the economy around by good economic policies. Instead of adding people to the Federal payroll, I recommended a year ago that we have a tax reduction. We approved a \$23 billion tax reduction in 1975—25 percent went to business, 75 percent went to individual taxpayers—and, as a result, the economy is moving in the right direction.

But in order to keep that momentum going, I have recommended that the Congress approve another \$10 billion tax reduction, beginning July 1, including an increase in the personal exemption from \$750 to \$1,000. The taxpayers deserve it.

But I also recommended—and this is something that is very fundamental—that we increase the estate tax exemption from \$60,000 to \$150,000, so that family farms, so that small businesses could go from one generation to another without the taxpayer grabbing all of the work and the love and affection that people have. And I am glad to report to you that Senator Dole said to me on the way out here that the Senate Committee on Finance, in effect, has recommended that that proposal be included in the tax legislation which will be on the Senate floor next week. One provision which is vitally important: Under current law, when a husband passes property to his wife or vice versa, there is a Federal estate tax imposed. Under my proposition, those transfers are nontaxable, as they should be.

I am pleased to stand here in this great city of Springfield in the State of Missouri and say to you that not a single American boy is fighting and dying on foreign soil. We have peace, we have the military capability to maintain it, and under the Ford administration, because we are strong, we are going to keep it. I am the first President since Ike ran in 1956 who could go to the American people and say, I want your votes. We have peace. We don't have a war that the United States is engaged in. That's progress by any standard.

So, I come to you in Springfield and ask for your help and assistance. I can be elected. I can help elect other Republicans from the courthouse to the Congress. That's the way you build a two-party system in Missouri and the other 49 States.

Let me conclude with this observation. This country is on the brink of its third 100th year. In our third century in America, I think we ought to emphasize the freedom of the individual. In our first 100 years in America, we developed a form of government that protected that precious freedom which we enjoy. In our second century of America, we developed the greatest economic industrial machine in the history of mankind. But our third century must be the century for the protection of the individual. We must protect that individual against mass government, against mass labor, against mass business, mass education. The third century of this country must be the one where the individual has a new birth of freedom. And in the first 4 years under the Ford administration, I guarantee you we will get a kickoff in the right direction.

Tomorrow, every one of the 1,400-plus delegates here has a great responsibility. And that responsibility reminds me of the responsibility that 59 delegates to the Constitutional Convention in Independence Hall, in the city of Philadelphia about 200 years ago, had. They had a responsibility—representing 13 small, struggling colonies, about 3 million people. They labored from May until September. And when they concluded that responsibility of drafting the greatest document in the history of mankind for the governing of people and a nation—after they had all signed—Benjamin Franklin, one of those delegates, wandered down onto the street, and he was accosted by an old lady. And that lady said to Ben Franklin, “Mr. Franklin, what have you given us, a monarchy or a republic?” And Ben Franklin said, “We have given you a republic, if you can keep it.”

All of you here in Springfield tomorrow have an awesome responsibility. To a very high degree, you have the same responsibility, whether you can keep or help to keep the Republic. I have faith and trust in you.

We are going to win in Kansas City, and we are going to win in November.

Thank you very, very much.

NOTE: The President spoke at 7:32 p.m. at a reception in the Exhibition Hall at the Howard Johnson's Motor Lodge. In his opening remarks, he referred to Governor Christopher S. (Kit) Bond of Missouri, Senators John G. Tower of Texas, Howard H. Baker, Jr., of Tennessee, and Robert Dole of Kansas, William C. Phelps, lieutenant

governor of Missouri, John C. Danforth, attorney general of Missouri, Lowell McCluskey, Missouri State Republican chairman, Gene McNary, Missouri State chairman for the Elect Ford Committee, and Rogers C. B. Morton, campaign manager for the President Ford Committee.

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Memorandum on the Combined Federal Campaign.
June 14, 1976

[Dated June 12, 1976. Released June 14, 1976]

Memorandum for the Heads of Departments and Agencies

I am pleased to announce the appointments of Donald H. Rumsfeld, Secretary of Defense; Earl L. Butz, Secretary of Agriculture; George Bush, Director of Central Intelligence; Francine I. Neff, Treasurer of the United States; James T. Lynn, Director, Office of Management and Budget; John C. Calhoun, Special Assistant to the President for Minority Affairs; Webster B. Todd, Jr., Chairman, National Transportation Safety Board; Byron V. Pepitone, Director of Selective Service; Charles McC. Mathias, Jr., United States Senate, Maryland; Joseph L. Fisher, Representative, 10th District of Virginia and Rowland F. Kirks, Director, Administrative Office of the United States Courts as Co-chairpersons for the 1976-77 Combined Federal Campaign of the National Capital Area. They will be assisting Richard L. Roudebush, Administrator of Veterans Affairs, in this important undertaking.

I request that you personally serve as Chairperson of the campaign in your organization and that you appoint one of your top assistants as your Vice Chairperson. Please advise Mr. Roudebush of your acceptance and whom you designate as your Vice Chairperson.

The Combined Federal Campaign offers each of us an excellent opportunity to demonstrate our traditional generosity, concern and compassion for our fellow citizens in need. Please lend your full support to this most worthy cause.

GERALD R. FORD

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Telephone Remarks on the Dedication of the Bicentennial Exposition on Science and Technology at the Kennedy Space Center in Florida. *June 14, 1976*

Dr. Fletcher, Congressman Teague, Congressman Frey, distinguished guests, ladies and gentlemen:

I'm extremely happy to have this chance to send my greetings and very best wishes on the dedication of the Science and Technology Exposition. I am hon-

ored to congratulate all who took part in creating this very important Bicentennial program. This massive, combined effort, planned and carried out by NASA, 16 other Federal agencies, and a number of corporations and institutions of higher learning, represents the same spirit of cooperation and mutual support that enabled Americans to venture from Cape Canaveral to the Moon and back.

The Kennedy Space Center is the fitting location for this exposition. In just 20 years it has become historic ground in the United States as well as in the world.

The brave astronauts of the Mercury, Gemini, and Apollo programs and their dedicated support teams represent the finest qualities in American science and technology. The Space Center and the fabulous story behind it has become a part of America's national heritage. More than just a story of technical expertise, it is a superb story of courage, perseverance and strength, of determination and of faith. It's another chapter in America's history of reaching out to the unknown that began when the first colonists set sail across an unfriendly sea to an unexplored continent.

America's future is itself uncharted territory, but I am confident we will face that challenge with the same courage and imagination that have marked all of our voyages into the unknown.

This fine exposition will tell Americans of our unique contributions to the progress of mankind. It unveils some of the scientific wonders to come, developments which will not only range across the solar system but which will change everyday life here on Earth. It will show Americans that our horizons are still unlimited, and so is our capacity to reach for them into our third century.

I congratulate all who have been a part from the very beginning of the development of this outstanding exposition, and I wish everybody connected with it the very best. And I hope and trust that thousands and thousands and thousands of Americans and those from other parts of the world will come and see for themselves what we have done and what we will do in the future.

Thank you, Dr. Fletcher, and the very best to all.

NOTE: The President spoke at 11:15 a.m. from the White House. In his opening remarks, he referred to Dr. James C. Fletcher, Administrator of

the National Aeronautics and Space Administration, and Representatives Olin E. Teague of Texas and Louis Frey, Jr., of Florida.

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Remarks Announcing New Initiatives for the Task Force on Questionable Corporate Payments Abroad. *June 14, 1976*

TEN WEEKS ago, I appointed a task force headed by Secretary Richardson to review our policies toward corporations that engage in questionable payments to other nations.¹ Today, based upon the findings of that task force, I am announcing three new initiatives.

First, as a deterrent to bribery by American-controlled industries, I am directing the task force to prepare legislation that would require corporate disclosure of all payments made with the intention of influencing foreign government officials. Failure to comply with the new disclosure laws would lead to civil and criminal penalties.

Second, I am announcing my support of pending legislation to strengthen the law requiring corporations to keep their shareholders fully and honestly informed about their foreign behavior.

Finally, I am asking our major trading partners to work with us in reaching agreement on a new code to govern international corporate activities.

Let me emphasize my conviction that the vast majority of American-based corporations are honest, upstanding citizens in the international community. Nonetheless, we must recognize that unethical behavior by only a few companies can spoil the environment for everyone. Our system of private enterprise, a system that has provided a higher standard of living and greater economic security than any system known to man, is under constant attack today because many citizens no longer trust big business.

In order to renew and to restore public faith in free enterprise, we must provide the public with concrete assurance that major corporations are clean and honest. The initiatives I am announcing today can be a big step in that direction.

Thank you very much.

NOTE: The President spoke at 11:35 a.m. to reporters assembled in the Briefing Room at the White House.

¹ See Items 275 and 276.

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Statement Announcing New Initiatives for the Task Force on Questionable Corporate Payments Abroad. June 14, 1976

ON March 31, I established the Task Force on Questionable Corporate Payments Abroad. I directed the task force to conduct a sweeping policy review and to recommend such additional policy steps as might be warranted.

From the initial findings of the task force, it is clear that the questionable payments problem must be taken seriously. The number of U.S. firms implicated has been relatively small, but the pattern of improper behavior involved cannot be tolerated. It is totally inconsistent with American values. It threatens to harm our foreign relations. If allowed to continue, it could badly erode public and international confidence in American business and American institutions.

The United States is the foremost advocate of principles of fair, open, and democratic political behavior and of free, honest, and competitive economic behavior. We have an affirmative responsibility for leadership in efforts to advance the application of these principles.

My statement creating the task force noted that we have already initiated a wide range of enforcement actions and international initiatives to address the questionable payments problem. I have decided, however, that we can and must do more:

(1) *We must take additional legislative steps to improve the deterrent effect of United States law.* I have therefore directed the task force to develop a specific legislative initiative which would require reporting and disclosure of payments by U.S.-controlled corporations made with the intent of influencing, directly or indirectly, the conduct of foreign government officials. In order that the Congress will have time to enact this legislation in this session, I have instructed the task force to proceed with the drafting of detailed specifications as quickly as possible.

(2) *We must assure the integrity of corporate reporting systems and the accountability of corporate officials.* The administration will therefore support legislation proposed by the Securities and Exchange Commission to make it unlawful (a) for any person to falsify any book, record, or account made, or required to be made, for any accounting purpose; and (b) for any person to make a materially false or misleading statement to an accountant in connection with any examination or audit.

(3) *We must accelerate progress toward an international agreement*

consistent with the principles put forward by the United States at the Second Session of the United Nations Commission on Transnational Enterprises. I will ask our major trading partners to give our proposed questionable payments agreement priority consideration.

In taking these necessary steps, I wish to emphasize that I do not mean to imply any condemnation of American business in general. To the contrary, I am confident that the overwhelming majority of American businessmen have conducted themselves as good citizens both at home and abroad. Unfortunately, American business and Americans, generally, have become the victims of the improper actions by a few—and of guilt by association.

I have decided upon the additional actions announced today as an important way to curb spreading cynicism and to help restore confidence in basic American institutions and principles.

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**Message to the Congress Transmitting Annual Reports of
the Six River Basin Commissions. June 15, 1976**

To the Congress of the United States:

I am happy to transmit herewith the annual reports of the six river basin commissions, as required under Section 204(2) of the Water Resources Planning Act of 1965.

The Act states that commissions may be established, comprised of State and Federal members, at the request of the Governors of the States within the proposed commission area. Each commission is responsible for planning the best use of water and related land resources in its area and for recommending priorities for implementation of such planning. The commissions, through efforts to increase public participation in the decisionmaking process, can and do provide a forum for all people within the commission area to voice their ideas, concerns, and suggestions.

The commissions submitting reports are New England, Great Lakes, Pacific Northwest, Ohio, Missouri, and Upper Mississippi. The territory these six cover include parts or all of 32 States.

The enclosed annual reports indicate the activities and accomplishments of

the commissions during FY 1975. A brief description of current and potential problems, studies, and approaches to solutions are included in the reports.

GERALD R. FORD

The White House,
June 15, 1976.

NOTE: The six reports are entitled:

"New England River Basins Commission: 1975 Annual Report."

"Ohio River Basin Commission: 1975 Annual Report."

"Great Lakes Basin Commission: 1975 Annual Report."

"Missouri River Basin Commission: Annual Report 1975."

"Pacific Northwest River Basins Commission: Annual Report, Fiscal Year 1975."

"Upper Mississippi River Basin Commission."

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Remarks at the Southern Baptist Convention in Norfolk, Virginia. June 15, 1976

Thank you, Dr. Weber, Congressman Downing, Congressman Whitehurst, Congressman Daniel, Mayor Hill, members of the executive committee, ladies and gentlemen:

It's truly a great honor for me to be the first President of the United States to address this Southern Baptist Convention. I recall with great interest the last time I was introduced at an event sponsored by the Southern Baptists. It was a Brotherhood Commission prayer breakfast in Dallas almost exactly 2 years ago, when I was Vice President. The man introducing me was very considerate, very generous in his remarks, and very friendly. I was introduced as a man with "an open mind and a compassionate heart," and today, I would like to return that compliment to the gentleman who introduced me then—Governor Jimmy Carter.

The honor you have paid me with the invitation to speak at this convention is very special to me in a very personal way. Although our religious denominations are different, I have long admired the missionary spirit of Baptists and the fact that you strive to keep the Bible at the center of your lives. I also respect and appreciate your commitment to health care and educational advancement of your fellow citizens, as exemplified by the many hospitals, universities, and seminaries supported by Baptist churches.

My oldest son, Mike, who is now a divinity student at Gordon-Conwell

Seminary in Massachusetts, was graduated from the Baptist-affiliated Wake Forest University. And it was my pleasure 4 years ago to be the speaker at his graduation ceremony.

We meet today in a year of historic importance and national celebration—the Bicentennial Year of American independence. Even as your denomination has grown from fewer than 500 people in America, at the beginning of the 18th century, to almost 13 million today, Baptists have played a very fundamental part in the birth and growth of America.

An early champion of religious freedom—which the great Baptist minister, George Truett, once called “the supreme contribution of the New World to the Old”—was Roger Williams, founder of Providence, forerunner of Jefferson, and giant among Baptists. The principle of democracy itself was rooted deeply in the Baptist Church long before there was a United States of America. Thomas Jefferson so admired the Baptist form of church government that he called it “the purest democracy in the world.”

Abraham Lincoln’s mother, a devout Baptist, was perhaps the most important and enduring influence in the memorable life of her son, implanting in him a deep faith in God and always encouraging him to “be somebody.” History gives us many, many more examples of profound Baptist influence on American life, a tradition still being enriched today.

Billy Graham came from your ranks to become one of today’s most influential Christian evangelists and one of the most admired men of our time.

Brooks Hays, twice the president of this convention, a former colleague of mine in the House of Representatives, and a very dear friend, has stood through his distinguished career as a man of courage and a man of conviction, a man of towering moral strength, a man who sets a good example for all of us in public or in private life.

These rich contributions of religious liberty, democratic principles, social equality, evangelistic fervor, and moral strength have reserved for your people an honored place in American society. You have always jealously guarded the separation of church and state, but you have always believed that private morality and public service can and must go hand in hand.

The essential task of leadership in our modern age, as in ages past, is to inspire, to teach, to act with courage, to live with honor, and to show the way. The minister in the pulpit, the teacher in the classroom, the foreman on the dock, the executive in the boardroom, the commanders of armies and navies, the parents of children all share the burden and the satisfaction of leadership fully as much as those who served in government.

What is required of us all, if we are to lead successfully, is a strong moral foundation. We cannot stand very long on the shifting sands of situation ethics. History proves that power and prestige are slippery peaks from which the mighty have often fallen into disgrace. Jesus said, "[For] what has a man profited, if he shall gain the whole world, and lose his own soul?"

We stand in danger today of losing the soul of America to the seductions of material gain and moral apathy, to a new code of conduct which reviles the basic truths and mocks the basic beliefs on which this Nation and much of religion were founded. Forgiving hearts and tolerant attitudes are among the greatest lessons of Christian teaching, but at some point we must take a stand and say, "This is right, this is wrong; there is a difference."

In this Bicentennial Year we celebrate our independence from a foreign power, but we reaffirm our dependence upon a higher power. We recognize, just as George Washington did in his first inaugural address, that no nation on Earth can owe more to providence than the United States of America. Our greatness is because of our goodness. Should we cease to be good, we would soon cease to be great.

Public officials have a special responsibility to set a good example for others to follow—in both their private and public conduct. The American people, particularly our young people, cannot be expected to take pride or even to participate in a system of government that is defiled and dishonored, whether in the White House or in the halls of Congress. Jesus said, "[For] unto whomsoever much is given, of him shall be much required." Personal integrity is not too much to ask of public servants. We should accept nothing less.

The American people have seen too much abuse of the moral imperatives of honesty and of decency upon which religion and government and civilized society must rest. To remedy these abuses, we must look not only to the government but, more importantly, to the Bible, the church, the human heart. We must look to the family for the instruction in righteousness and for the stabilizing influence so important in a complex, confusing, and ever-changing world. We must look to the faith of our fathers. The laws of God were of very special importance to our Founding Fathers and to the Nation they created.

The early history of our country was written by men who valued the freedom of religion and who had in common a deep faith in God. I believe it is no accident of history, no coincidence that this Nation, which declared its dependence on God even while declaring its independence from foreign domination, has become the most richly blessed nation in the history of mankind and the world.

For it is as true today as it was in the Old Testament times that "blessed is the nation whose God is the Lord." I believe that very deeply, and so do you.

In my own life and throughout my career in public service, I have found in the pages of the Bible a steady compass and a source of great strength and peace. As each of my predecessors in the Presidency has done, I asked for God's guidance as I undertook the duties of this office. I have asked for that guidance many times since. Just as Roger Williams and his followers found refuge in Providence, more and more Americans today are turning for refuge to the safe harbor of religious faith—a fact borne out by your own rapidly increasing membership rolls.

This rekindling of religious conviction, this new appreciation for Biblical teaching we see in America today, is an encouraging development as we move into our third century as a nation. It means that we will resolve to make our society not only prosperous but noble, not only progressive but constructive. We may come to know peace not as the mere absence of war, but as a climate in which understanding can grow and human dignity can flourish.

While we are far from attaining heaven on Earth, we can make this Earth a better place to live. That must be our constant goal, whether we labor in government or in the kingdom of God.

The Southern Baptist Convention has sought throughout much of its history to overcome the enemies of the world—ignorance, disease, poverty, tyranny, injustice, greed, and war itself—even while setting your sights on the gates of heaven.

As America enters its third century still battling these enemies, still reaching for life on a higher plane, we could ask no better inspiration than those words of a favorite passage of mine from the Book of Proverbs: "Trust in the Lord with all thine heart and lean not unto thine own understanding. In all thy ways acknowledge Him and He shall direct thy paths."

Thank you very, very much.

NOTE: The President spoke at 3:08 p.m. at the Scope Convention Center. In his opening remarks, he referred to Dr. Jaroy Weber, president of the convention, Representatives Thomas N. Downing,

G. William Whitehurst, and Robert W. Daniel, Jr., of Virginia, and Mayor Irvine B. Hill of Norfolk.

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Remarks Upon Signing Legislation Relating to the Publication of Spanish-American Economic and Social Statistics.

June 16, 1976

Distinguished Members of Congress, ladies and gentlemen:

Let me add a very special welcome to the White House to the members of the board of directors of the National Congress of Hispanic American Citizens who are meeting in Washington this week. I met many of you at the swearing in of Sam Martinez a few weeks ago, and it is good to see you all again.

Today, I look forward to signing House Joint Resolution 92, a measure which emphasizes the need for a sound program of Federal statistics concerned with the millions of Americans of Spanish origin or descent. These Americans represent an important contribution, as well as influence, not only to the enrichment of our society but to its continuing growth and diversity.

Mexican Americans, Puerto Ricans, Cuban Americans, and other Spanish-origin Americans have served this Nation with honor in peace as well as in war. To assist them in participating fully in all aspects of American life, more adequate and accurate information is required. Such information gathered through major statistical programs of the Federal Government can help provide the basis for action to assist Americans of Spanish origin or descent in achieving a better life.

The major Federal statistical agencies in HEW, the Departments of Labor, Commerce, and others already gather and publish much of the data required and have made significant improvement in their efforts to assure that such needed information is available. However, we can do much better, and I applaud the additional impetus that will come as a result of the enactment of this resolution.

Let me thank all of you who have participated in and worked hard to bring this resolution to completion. It is so important that we in government listen to the ideas and concerns expressed from outside government and that we maintain a constant dialog with many parts of our dynamic and diversified society. Your efforts and your dedication move us into a brighter and more satisfying future.

Thank you very much, and I again congratulate those Members of the Congress who have participated in the work on behalf of this resolution.

NOTE: The President spoke at 11:04 a.m. at a ceremony in the Rose Garden at the White House. In his remarks, he referred to Samuel R. Martinez,

Director of the Community Services Administration. As enacted, H.J. Res. 92 is Public Law 94-311 (90 Stat. 688).

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Statement on Signing Legislation Relating to the Publication of Spanish-American Economic and Social Statistics.*June 16, 1976*

I AM pleased to be signing today H.J. Res. 92, a measure which emphasizes the need for a sound program of Federal statistics regarding the millions of Americans of Spanish origin or descent.

As stated in the preamble to this Joint Resolution, Spanish-origin Americans have made significant contributions to enrich American society and have served our Nation well in time of war and peace. To encourage and assist their full participation in all aspects of American life, it is important that we have adequate and accurate information about their economic and social conditions.

Such information, gathered through the major statistical programs of the Federal Government, can help provide the basis for action on the part of governments at all levels—Federal, State, and local. In addition, action by private organizations can better assist Americans of Spanish origin and descent in achieving a better life.

The major Federal statistical agencies already gather and publish much of the data required for determining the conditions and needs of this often disadvantaged group. And these agencies have made significant improvements in their efforts to help assure that such needed information is available.

I applaud these efforts and the increased impetus they will receive as a result of the enactment of H.J. Res. 92.

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Special Message to the Congress Requesting Funds To Implement the U.S.-Turkey Defense Cooperation Agreement.*June 16, 1976**To the Congress of the United States:*

I am hereby requesting that Congress approve and authorize appropriations to implement the Agreement Between the Governments of the United States of America and of the Republic of Turkey Relative to Defense Cooperation Pursuant to Article III of the North Atlantic Treaty in Order to Resist Armed Attack in the North Atlantic Treaty Area, signed in Washington, March 26, 1976,

and a related exchange of notes. Accordingly, I am transmitting herewith draft legislation in the form of a Joint Resolution of the Congress for this purpose.

The United States and Turkey have long enjoyed a close mutual security relationship under the North Atlantic Treaty, as well as bilateral cooperation in accordance with Article III of that Treaty. The new Agreement, like its predecessor, the Defense Cooperation Agreement of 1969 which this Agreement would supersede, implements the treaty. It has been signed as an executive agreement. The Agreement was negotiated with the understanding that it would be subject to Congressional approval and expressly provides that it shall not enter into force until the parties exchange notes indicating approval of the Agreement in accordance with their respective legal procedures. Full Congressional endorsement of this Agreement will give new strength and stability to continuing U.S.-Turkish security cooperation which has served as a vital buttress on NATO's southeast flank for more than two decades.

The new Agreement is consistent with, but not identical to, the preceding Defense Cooperation Agreement of 1969. Founded on mutual respect for the sovereignty of the parties, the Agreement (Articles II and III) authorizes U.S. participation in defense measures related to the parties' obligations arising out of the North Atlantic Treaty. It is understood that when the Agreement enters into force pursuant to Article XXI, activities will resume which were suspended by the Government of Turkey in July 1975, when the Turkish Government requested negotiation of a new defense cooperation agreement.

The Agreement provides a mutually acceptable framework for this important security cooperation. The installations authorized by the Agreement will be Turkish Armed Forces installations under Turkish command (Articles IV and V). Article V clearly provides for U.S. command and control authority over all U.S. armed forces personnel, other members of the U.S. national element at each installation, and U.S. equipment and support facilities.

The installations shall be operated jointly. In order to facilitate this objective, the United States is committed to a program of technical training of Turkish personnel.

Other provisions of the Agreement deal with traditional operational and administrative matters, including: operation and maintenance of the installations; ceilings on levels of U.S. personnel and equipment; import, export and in-country supply procedures; status of forces and property questions.

Article XIX specifies the amounts of defense support which the United States plans to provide Turkey during the first four years the Agreement remains in force. We have provided such support to this important NATO

ally for many years to help Turkey meet its heavy NATO obligations. The Article provides that during the first four years the Agreement remains in force, the United States will furnish \$1,000,000,000 in grants, credits and loan guarantees, to be distributed equally over these four years in accordance with annual plans to be developed by the Governments. It further provides that during the first year of the defense support program, \$75 million in grants will be made available, with a total of not less than \$200 million in grants to be provided over the four-year life of the program. The Article also sets forth our preparedness to make cash sales to Turkey of defense articles and services over the life of the Agreement.

The related exchange of notes details defense articles we are prepared to sell to the Republic of Turkey at prices consistent with U.S. law. It further provides for Turkish access to the U.S. Defense Communications Satellite System, and for bilateral consultations regarding cooperation in modernizing Turkish defense communications.

The defense support specified in Article XIX and in the related exchange of notes will be provided in accordance with contractual obligations existing and to be entered into by the Governments, and with the general practices applicable to all other recipient countries. The accompanying draft legislation accordingly provides that the generally applicable provisions of our foreign assistance and military sales Acts will govern this defense support, and that it will be exempted from the provisions of section 620(x) of the Foreign Assistance Act as amended. The draft legislation further provides that it fulfills the requirements of section 36(b) of the Foreign Military Sales Act as amended and section 7307 of Title 10 of the United States Code with respect to the transfer of materiel pursuant to the related exchange of notes.

The Agreement will have a duration of four years, and will be extended for subsequent four-year periods in the absence of notice of termination by one of the parties. As the four-year defense support program comes to an end, the Agreement provides for consultation on the development of a future program as required in accordance with the respective legal procedures of the two Governments. Article XXI stipulates the procedures under which the Agreement can be terminated by either party, and provides for a one-year period following termination during which the Agreement will be considered to remain in force for the purposes of an orderly withdrawal.

This Agreement restores a bilateral relationship that has been important to Western security for more than two decades. I believe it will promote U.S. interests and objectives on the vital southeastern flank of NATO and provide

a framework for bilateral cooperation designed solely to reinforce NATO and our common security concerns. To the extent that the Agreement restores trust and confidence between the United States and Turkey, it also enhances the prospects for a constructive dialogue on other regional problems of mutual concern.

I therefore request that the Congress give this Agreement and the accompanying draft legislation prompt and favorable consideration, and approve its entry into force and authorize the appropriation of the funds necessary for its execution.

GERALD R. FORD

The White House,
June 16, 1976.

599

Remarks on the Assassination of U.S. Embassy Officials in Lebanon. *June 16, 1976*

THE ASSASSINATION of our Ambassador in Beirut, Francis E. Meloy, Jr., and of our Counselor for Economic Affairs, Robert O. Waring, and of their driver is an act of senseless, outrageous brutality. I extend to their families my own deep sense of sorrow and that of all the American people.

These men were on their way to meet with President-elect Sarkis. They were on a mission of peace, seeking to do what they could in the service of their country to help restore order, stability, and reason to Lebanon. Their deaths add another tragedy to the suffering which the Lebanese people have endured beyond measure.

These men had lived with danger for many weeks and did so with dedication and disregard of personal safety, as we have come to expect of the Foreign Service.

The goals of our policy must remain unchanged. The United States will not be deterred in its search for peace by these murders. I have instructed Secretary Kissinger to continue our intensive efforts in this direction.

I will name a new Ambassador to Lebanon within the very near future to resume the mission of Ambassador Meloy, which he performed so brilliantly.

I have also instructed the Secretary to get in touch with all of the governments in the area and with the Lebanese leaders to help identify the murderers and to see that they are brought to justice. I have also ordered that all appropriate

resources of the United States undertake immediately to identify the persons or groups responsible for this vicious act.

Those responsible for these brutal assassinations must be brought to justice. At the same time, we must continue our policy of seeking a peaceful solution in Lebanon. That is the way we can best honor the brave men who gave their lives for this country and for the cause of peace.

NOTE: The President spoke at 4:05 p.m. to reporters assembled in the Briefing Room at the White House.

On June 17, 1976, the White House announced that the President had designated Ambassador L.

Dean Brown as his Personal Representative to go to Damascus, Syria, to accompany the bodies of slain American officials when they were returned to the United States.

600

Exchange With Canadian Prime Minister Pierre Elliott Trudeau Upon Accepting Canada's Bicentennial Gift to the United States. *June 16, 1976*

PRIME MINISTER TRUDEAU. Mr. President, we have a little gift we want to give you on the occasion of the Bicentennial—it is of our boundaries. People usually think of boundaries as dividing people. Well, I won't repeat the stories about the unprotected frontiers, but in this case we will see in pictures what everyone knows on your side and on our side of the boundary—that these boundaries don't divide us; they bring us together.

By the pictures, we see that Canadians and Americans on both sides of the borders in their institutions, in their way of life, in their physical aspects are very, very close together. And we thought that would be a good way to indicate to you and to your countrymen our friendship on the occasion of this Bicentennial.

One of your famous poets, Robert Frost, talked about good fences making good neighbors. Well, in this case, it is the good neighbors that make good boundaries. And we have got some good photographers here who made these good boundaries into good pictures, and we would like to offer them to you. And I understand they will be offered also.

Thank you Mr. President.

THE PRESIDENT. May we open it and look at some of the—

PRIME MINISTER TRUDEAU. Let's look at some of them. I hope we will find somewhere the boundaries are—oh, look. This does not bind you to anything. These are boundaries which were drawn—[laughter]—in case of land boundaries, I think we pretty well agree on them.

THE PRESIDENT. I think we have resolved those boundaries.

PRIME MINISTER TRUDEAU. The sea boundaries we have been talking about—*[laughter]*—and by accepting this gift you are not committed to anything—*[laughter]*—a show of friendship.

THE PRESIDENT. We will blame the photographers.

PRIME MINISTER TRUDEAU. Well, there we are, and we are living with friendship on both sides, Mr. President.

THE PRESIDENT. Mr. Prime Minister, let me thank you and the Canadian people on behalf of myself, as well as the American people, for this beautiful Bicentennial gift between friends. You have said, and it is so true, that our boundary of some 5,000 miles is a boundary that means much because it is a boundary of peace. It goes from the St. Lawrence to the Great Lakes to the Rockies to the wilds of the Arctic. It is a boundary that we are proud of. It is a boundary where people can cross with a minimum of effort and where crossings take place on a daily basis in the best of intentions and the best of objectives.

The American people are proud of their relationship with your people, and we are very, very grateful for this very thoughtful gift. And I am looking forward to the opportunity of seeing the pictures of the boundary. It is a boundary of peace; it is a boundary that I hope will set an example for nations throughout the world.

It is a boundary that will be crossed this summer by many people from Canada coming to the United States for our Bicentennial, and it is a boundary that will be crossed by many Americans going to the Montreal Olympics. And I think both occasions are great occasions for the Canadians as well as for the Americans.

I understand that some of the original pictures that were taken by this distinguished group will be at the Field Museum in Chicago. And it is my understanding you and I have sent a message to the——

PRIME MINISTER TRUDEAU. We have, sir. *[Laughter]*

THE PRESIDENT. I just want to verify it.

PRIME MINISTER TRUDEAU. Written in our own hand.

THE PRESIDENT. Yes.

That is a great museum and it will be, I am sure, warmly received by the people in the Middle West who will look forward to the photographs that have been taken by this distinguished group.

I reemphasize our gratitude for your thoughtfulness on the occasion of our Bicentennial. It has a great depth of feeling and it is, I think, an indication of the Canadian-U.S. friendship for so many years in the best of traditions.

Thank you very, very much.

PRIME MINISTER TRUDEAU. Thank you.

NOTE: The exchange began at 5:32 p.m. in the Rose Garden at the White House. graphs of the U.S.-Canadian boundary, entitled "Between Friends/Entre Amis."

Canada's Bicentennial gift was a book of photo-

601

Remarks Upon Signing a Message to Congress Transmitting Proposed Social Security Benefit Indexing Legislation.

June 17, 1976

I AM today submitting to the Congress a proposal which will correct a serious flaw in the social security system's formula for determining benefits. The new benefit formula contained in my proposal will prevent social security payment levels from being distorted by unusually high periods of inflation while helping to protect the financial integrity of the system itself.

This proposal is the last of three components of my 1977 budget and legislative programs intended to ensure a secure and viable social security system. My program calls for a full cost-of-living increase for all beneficiaries, scheduled to take effect in checks sent out in July of this year.

It calls for an increase in social security payroll contributions by three-tenths of 1 percent for both employers and employees. This increase would remedy the immediate short term financing problems facing social security. It would stop the drain on the trust funds which are now expected to pay out about \$4 billion more in benefits each year than they take in. This correction would cost no employee more than \$1 per week in additional contributions.

The third component of my program is the legislation I am transmitting today to correct a serious flaw in the social security benefit structure. If left unchanged, this flaw could damage the underlying principles of social security and help create severe long-range financial pressures on the system. My proposal would eliminate this flaw and be a major step towards resolving the long-range financial problem. It would help stabilize the system and permit sufficient time for careful and thorough analysis of the remaining future financial pressures.

Both of these proposals are vital. While I am very happy that a full cost-of-living increase will be included in July's social security checks, I regret to say

that the Congress has avoided its responsibility to provide a means of paying for the full cost of the system.

If we are successfully to preserve the financial integrity of the social security system, we need prompt action on both of my proposals. I strongly urge the Congress to move immediately and without further delay to enact both of them into law.

NOTE: The President spoke at 10:24 a.m. in the Oval Office at the White House.

602

Special Message to the Congress Transmitting Proposed Social Security Benefit Indexing Legislation. June 17, 1976

To the Congress of the United States:

I am today submitting to the Congress a legislative proposal that will correct a serious flaw in the Social Security system. This proposal is one of three components of my 1977 budget and legislative program intended to insure a secure and viable Social Security system. My strong personal commitment to Social Security embraces both a genuine concern for the 32 million persons who currently depend on Social Security benefits for income, and an unyielding dedication to protect the financial integrity of the system for the millions of workers who will depend on it in the future.

My program to insure the integrity of the Social Security system, as outlined in January of this year, includes:

—First, a full cost-of-living increase for all beneficiaries, scheduled to take effect in checks sent out in July of this year.

—Second, an increase in Social Security payroll contributions by three-tenths of one percent for both employees and employers. This increase would remedy the immediate, short-term financing problem facing Social Security. It would stop the drain on the trust funds—which are now expected to pay out about \$4 billion more in benefits each year than they take in. This correction would cost no employee more than \$1 per week in additional contributions.

—Third, legislation to correct a serious flaw in the Social Security benefit structure which, if left unchanged, would undermine the principles of Social Security and create severe long-range financial pressures on the system. My proposal would eliminate this flaw and be a major step towards resolving the long-range financial problem. It would help stabilize the system and permit

sufficient time for careful and thorough analysis of the remaining future financial pressures.

What is the status of these items?

I am happy to report that the full cost-of-living increase will be included in July Social Security checks. Unfortunately, the Congress has so far avoided its responsibility to provide a means of paying for the full cost of the system.

The proposal I am submitting today corrects an inadequate method of adjusting benefit payments which, over time, could mean that many new retirees would receive Social Security benefits in excess of the highest earnings they ever received. Such a result was never intended and is clearly undesirable, both from the standpoint of the individual and the excessive costs to the system.

My proposal would correct this defect by ensuring that future retirement benefits are a constant share of preretirement earnings. This produces three important improvements:

- It eliminates the long-term financial deficiency associated with the flaw (about half the projected long-range deficit), and moves more closely to the system which Congress intended to create in 1972;

- It helps to stabilize the system despite variations in the economy; and

- It makes individual benefits more predictable than under the current system.

To insure fairness to those approaching retirement as these proposals are implemented, I am suggesting a ten-year phase-in period during which those persons retiring will be assured that their benefits are no lower under the new formula than they would have been under the old formula at the time the law goes into effect.

The correction of the flaw will be a major step toward bringing the system back into financial balance over the long-term. But it is not the complete solution and we should not pretend that it is. The Social Security Trustees estimate that even with this legislation, sizeable long-term financial pressures remain.

There is sufficient time, however, to analyze this situation and to correct it. If action is taken promptly on my proposals the system will not be in jeopardy. But this should not delay our efforts to identify the further steps needed to protect the system's permanent financial integrity.

Over the next few years I intend to work with the Congress in resolving these problems. But the time to begin is now. We must begin immediately to solve both the short and long-range problems. The corrected benefit formula that I am submitting today would eliminate more than half of the estimated long-range financial problem. The .3% increase in employee and employer

contributions which I proposed earlier this year would bring the system into current balance.

In order to protect both those who currently receive benefits and those who are contributing to the system towards their future retirement, I urge the Congress to move immediately to enact these two vital proposals into law.

GERALD R. FORD

The White House,
June 17, 1976.

603

Remarks on Greeting Participants in the National Teen-Age Republican Leadership Conference. *June 17, 1976*

LET ME at the outset welcome all of you—and I mean all of you—to the White House this afternoon. I am always pleased and delighted to have the opportunity of meeting with the representatives of the Teen-age Republicans. I have done it for a good many years—when I was a Congressman, when I was minority leader, when I was Vice President, and since I have been President. And I compliment you here today, and I compliment those in the past who have participated as teenagers and those who have grown and participated in later life as active Republican leaders and active Republican participants.

As I look at the some 250 of you here, as I understand, coming from some 8,000 chapters throughout the country, I can see that the future of the Republican Party is in good hands. It is the party of Lincoln, it is the party of Teddy Roosevelt, it is the party of Ike Eisenhower, and, therefore, I am optimistic about the future of the Republican Party.

Your enthusiasm and your campaign experience will make our campaign in 1976 a lot easier for the candidates and for the party as a whole. And this year you are going to play a very special role. Your hard work, your dedication may well make the difference in electing Republicans across the board, not just at the national level but at the State level and at the local level.

I happen to believe this is a great year—a year of great promise for the Republican Party. I have traveled around the country a good bit in the 22 months since I have been President, but especially this year I find that there is a feeling among the American people that they want to return to some of the sound Re-

publican values that we have been talking about, voting for, and believing in for a good many years.

I think this is very important and it is very encouraging as we enter our third century of American history. This wave of moderation, this wave of common-sense could well lay a sound foundation for the third century—a century that all of you will have an opportunity to participate in and to be a part of.

1976 is a vitally important election year. It is the year that we can ride a wave of great victory. Now, it makes no sense for us to scramble down to the wire for the nomination and then have our party fall apart the next day. This has happened before—it happened 12 years ago, and I recall it vividly. That year we lost 39 members of the House of Representatives, we lost 2 Members of the Senate, we lost some 600 State legislators. We took a bad beating. We have been struggling in the Congress to recoup from that disaster; we have built up in 1968. We made some progress over this span of time, but in 1974 we took another disastrous defeat. So, what we have to do, as I look at it, is to build for the future.

Now, we have had a spirited contest for the Presidential nomination, but all of us must work equally hard to prevent this 1976 Presidential contest in the Republican Party—we must strive to prevent it from becoming a grudge battle. Following Kansas City, I want a united, I want an enthusiastic Republican Party. I want a kind of Republican program and a Republican unity that is essential if we are to be successful in November. It is important not only for the party but for the country. It is important for the American people in November that they be given a clear choice for the future direction of our Nation. We can give them that choice if we are united as Republicans. I can say that is my intention, and I feel sure that it is equally the intention of my Republican opponent.

We can't have this a grudge fight if we are to achieve the success that is so important not only for the party and the principles we believe in but for the country as a whole. We must all work together at every level—at the local level, at the State level, and at the Federal level. You can participate at the grassroots level, and your contribution is invaluable as we move from here to Kansas City to November when it is the final touchdown.

We face a great challenge. We have a great opportunity, and I am confident that the combined forces of all elements of the Republican Party, old and young, all within our Republican spectrum, can make a substantial contribution. And I urge each and every one of you to carry that message back to your fellow Republicans, back to your neighbors, back to your friends. That is the point that we must emphasize in the weeks and months ahead.

And I am an optimist. I think the Republicans can learn. I think Republicans can move forward. Republicans can have a vision and they can be above personalities. They can be above some differences. It is our responsibility as Americans that is more important than any of the other things that sometimes seem to get the headlines.

Thank you very, very much.

NOTE: The President spoke at 4:26 p.m. in the Rose Garden at the White House.

604

Statement on the Evacuation of American Citizens From Lebanon. June 18, 1976

DUE to the continuing uncertainty of the situation in Beirut, I have directed the United States Embassy there to assist in the departure, by overland convoy to Damascus, of U.S. citizens who wish to depart Lebanon at this time.

The convoy is expected to leave Beirut Saturday, and American citizens are being alerted both by the Embassy and by broadcast on the Voice of America to be prepared for departure at that time, if they so wish.

The remains of Ambassador Francis Meloy and Mr. Robert Waring have been brought to Damascus overland. They will be picked up by a U.S. plane and returned to the United States, arriving on Saturday.

Only those Embassy officials not essential to our continuing operations will be leaving Lebanon. The American Embassy in Beirut is to remain open to continue our efforts to help bring an end to the strife which has brought this tragedy to Lebanon.

605

Message to the Senate Transmitting Protocols To Extend the International Wheat Agreement, 1971. June 18, 1976

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocols for the Third Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from March 17 through

April 7, 1976. The Protocols were formulated by a Conference which met in London on February 20, 1976.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Protocols.

The Protocol for the Third Extension of the Wheat Trade Convention, 1971, extends the Convention until June 30, 1978, and maintains the framework for international cooperation in wheat trade matters. It also continues the existence of the International Wheat Council.

The Protocol for the Third Extension of the Food Aid Convention, 1971, also extends until June 30, 1978, commitments of parties to provide minimum annual quantities of food aid to developing countries. The United States intends not to deposit ratification of this Protocol unless the other major donors become a party to the Protocol and formally record this intention by a written declaration to that effect made at the time of signing.

Both Protocols provide that instruments of ratification shall be deposited no later than June 18, 1976. The Wheat Council and Food Aid Committee may, however, grant an extension of time to any signatory government that has not deposited an instrument of ratification by that date.

It is my hope that the Senate will give early and favorable consideration to the two Protocols so that ratification by the United States can be effected and instruments of ratification can be deposited without undue delay.

GERALD R. FORD

The White House,
June 18, 1976.

NOTE: The protocols are printed in *Treaties and Other International Acts Series* (TIAS 8902).

606

Remarks at a Ceremony Honoring U.S. Officials Slain in Lebanon. *June 19, 1976*

Mr. Secretary, Mr. Meloy, Mrs. Waring, members of the family, distinguished guests, ladies and gentlemen:

This is a moment of sadness for America. The men who were so ruthlessly murdered in Lebanon embodied the finest traditions of our country. Their dedicated professionalism, their willingness to sacrifice, their devotion to the service of peace all were reflected at every step of their careers.

The tragedy that befell them has struck deep in the hearts of their countrymen.

I extend to their families the deepest sympathies of the American people. You and the loved ones you have lost will be in the thoughts and the prayers of all of us.

Francis E. Meloy, Robert O. Waring were conditioned by the difficult days of the Second World War. Like many of us, they came out of that experience determined to make a personal contribution to the building of a better world—a world without war. For more than 30 years, they made that contribution through selfless and distinguished service to their country.

Their Lebanese associate, Zohair Moghrabi,¹ gave over 25 years of loyal service to America. He has our respect, our honor, our gratitude; his family, our sympathy.

This is also a moment of reflection for America. Why were these brave men in Lebanon? Why are there others still there, searching for every opportunity to bring peace to that tragic land?

Our Nation, since its founding, has been committed to peace and respect for the rights of others. Unfortunately, there are too many places in our world where it is to someone's temporary advantage to destroy the peace, to break the bonds of unity, and to tear asunder the fabric of religious, racial, and cultural tolerance that binds together a society.

Lebanon has known peace. It was once a model of diversity and tolerance. Those were times of progress, times of hope. But those times have suddenly vanished in Lebanon and have been replaced by fear, hatred, destruction, and despair. The collapse of internal order in Lebanon is a profound challenge to all nations who know and cherish peace. It is an example of what can happen anywhere when violence triumphs over man's instinct for good and for peace.

The goal of America and the goal of our Foreign Service is to build a more secure, a more just world. We will continue to give our best to the search for peace in Lebanon and to show by word and deed that the deaths of these three brave men were not in vain.

We will continue to exercise international leadership because there is no moral alternative. We will continue to need the talent and genius of the best that America has to offer to do so. We will continue to work to build a world where men of peace can live in peace.

Now it is my very sad duty to present to Mr. Daniel Meloy the flag of American Ambassador Meloy as a tribute to one of our finest American diplomats, and

¹ Chauffeur for Ambassador Meloy.

to Mrs. Waring, the American flag in honor of a distinguished and dedicated Foreign Service officer.

NOTE: The President spoke at 4:42 p.m. at Andrews Air Force Base, Md., where he and Secretary of State Henry A. Kissinger met the plane bearing the bodies of Francis E. Meloy, Jr., U.S. Ambassador to Lebanon, and Robert O. Waring,

Economic Counselor of the U.S. Embassy in Lebanon.

In his opening remarks, the President referred to Daniel Meloy, the Ambassador's brother, and Mrs. Robert Waring, the Counselor's wife.

607

Statement Following the Evacuation of American Citizens From Lebanon. *June 20, 1976*

THE evacuation operation in Beirut today was completed successfully without incident. The success of this operation was made possible through the combined efforts of our Armed Forces and State Department personnel both here and in the field.

I want to express my deep appreciation and pride in the outstanding performance of all the men and women who contributed to this effort. We are grateful as well for the assistance of other governments and individuals that facilitated the evacuation. The United States will continue to play a positive role in seeking to restore stability and bring peace to Lebanon.

I would like to express to all those who played a part in the success of this operation my heartfelt thanks.

608

Exchange With Reporters on the Evacuation of American Citizens From Lebanon. *June 20, 1976*

REPORTER. Could we just get a few words about your feelings about the evacuation operation in Lebanon so far?

THE PRESIDENT. The evacuation was a complete success. I wish to congratulate the Department of Defense, the Department of State, and all other agencies that were involved. It was well-planned; it was well-executed. I am grateful for the cooperation of the other states and other organizations that cooperated to restrain any violence or to keep the area secure while the evacuation went on.

The United States will continue its role of a peacemaker in Lebanon. We will

continue our role as a party to try and achieve the long-sought peace and security in the Middle East.

Q. One other question. The role of the PLO [Palestine Liberation Organization] is a little unclear to us. Can you clarify that at all?

THE PRESIDENT. The PLO and all other parties in the Lebanon area have cooperated completely in making it possible for us to evacuate the Americans and the other nationals without any incident whatsoever.

NOTE: The exchange began at 1:20 p.m. in the Rose Garden at the White House.

609

Exchange With Reporters on Arrival at Indianapolis, Indiana. *June 22, 1976*

IT'S nice to be back in Indianapolis, Indiana, Governor Bowen, Mayor Hudnut, and the Jaycees.

I will be glad to answer any questions.

REPORTER. Mr. President, is the Federal Government going to participate in any way in the investigation into Don Bolles' ¹ death?

THE PRESIDENT. The Federal Government will do whatever it is authorized to do in any way whatsoever, either initiating any activity or working with local authorities.

Q. We have no specific plans, though?

THE PRESIDENT. I can't tell you at the present time. It's a deplorable, despicable act, and we certainly will maximize our effort in any way possible.

Q. Mr. President, some months ago the Indianapolis School Board had written to you requesting that you help along with the school desegregation plan. Do you have any word for them as yet?

THE PRESIDENT. I am going to make some comments today, during my remarks, about the proposal that I am submitting to the Congress this week which, I think, will minimize court-ordered busing and will provide a means and a method to help local authorities in trying to handle the problem at the local level.

Q. Mr. President, what do you think the chances are of winning the nomination on the first ballot?

¹ Reporter for the Arizona Republic, who was killed on June 2 allegedly because of his investigations into organized crime.

THE PRESIDENT. I think they are very good, and we expect to be nominated in Kansas City, and we expect to win in November.

NOTE: The President spoke at 9:31 a.m. at Weir-Cook Airport. In his opening remarks, he referred to Governor Otis R. Bowen of Indiana and Mayor William Hudnut of Indianapolis.

610

Remarks in Indianapolis at the Annual Convention of the United States Jaycees. June 22, 1976

Thank you very, very much, President Dick Robinson, Governor Bowen, Mayor Hudnut, Mr. Simensen, members and guests of the United States Jaycees:

I am overwhelmed and, obviously, deeply honored to join you here this morning and to receive such a warm and generous welcome. And I thank you from the bottom of my heart.

I have been looking forward to this visit for a long, long time, because the Jaycees have always made me feel right at home. When I was just beginning a law career in 1941, in Grand Rapids, Michigan, I became a proud member of our local Jaycee chapter. In all of the years that have followed—as a Congressman, as Vice President, and now as President—I have found the philosophy and the spirit of the Jaycees to be a great source of personal strength. So, it is great to be among friends on this occasion.

I am especially proud that I can salute all of you on the eve of our 200th anniversary as a nation. If there is a single organization, if there is a single group of outstanding young Americans that has come to reflect the Bicentennial spirit, it is the United States Jaycees, and I congratulate you.

For over a half century, the Jaycees have been fertile breeding ground for America's most promising young leaders—the kind of leaders that met in Philadelphia in 1776 and proclaimed a new age of freedom for mankind. For over half a century, the Jaycees have stood tall in their patriotism for the United States—the kind of patriotism that rode in the saddle with Paul Revere on the outskirts of Boston and inspired Patrick Henry down in colonial Williamsburg. For over half a century, the Jaycees have been filled with rock-hard determination to do what is best for America—the kind of determination that sailed with John Paul Jones when he warned the enemy, “I have not yet begun to fight.”

Youth, patriotism, determination, a love of liberty—those are the qualities that I have always found in the Jaycees. And I know this group and those that

will follow will carry forward this same determination, this same patriotism, this same love of liberty in the years ahead. And if you don't, who will?

As an active member of this organization just a few years ago—[*laughter*—I remember then that I often asked myself, what sort of a future did I want for my family and for my country? Many of you here today may ask yourselves the same questions: What do we want for ourselves over the next 20 or 30 years? What do we really want for America's third century as a nation?

Let me respond to some of those questions for just a few moments by suggesting some of my own answers. From my readings of history, I am persuaded that America's first two centuries can be split roughly in half.

The hallmark of our first century was the establishment of a free, democratic government in our land. Rising up from a weak, fledgling nation, our people sprawled across the continent, territories were acquired, States were formed, wars were fought—none more devastating than the one that turned American against American. But the Union survived that terrible ordeal, and by 1876, at the end of our first century, a responsive and responsible form of government was firmly implanted in our soil.

Our second century as a nation, I would suggest, has been marked by the growth and the development of a great industrial system. The pioneer spirit of the early days began to conquer new frontiers, spanning the Nation with rails, transforming our manufacturing and marketing, recasting our cities with concrete and steel, revolutionizing our science and technology so that at this very moment an American spacecraft, for the first time in man's history, is preparing to land on the planet of Mars.

These have been great achievements: the triumph of free government in our first century; the triumph of free enterprise in our second.

Now, in our third century I propose that we climb an even higher mountain. Let us fulfill the dreams of the early fathers. Let us make these new 100 years the ultimate triumph of people, the triumph of individual freedom in the United States of America.

We made enormous progress in securing and expanding individual freedoms in the past 200 years, and much of that progress has come in our own lifetimes. But we have not finished the job. Full individual freedom in America must mean freedom from want. America has the compassion and the resources to meet this challenge.

So long as our nation is burdened with heavy inflation and heavy unemployment, we shall not be free. Over the past 15 years, due in large measures to stop-and-start economic policies in Washington, the United States economy

has been on a long and dangerous roller coaster ride—up one year, down the next. The accompanying inflation has not only eroded personal income but it has eaten away at public confidence in our economic institutions, the very institutions that served to give us the highest standard of living anywhere in the world.

The first order of business in the Government of the United States is to put the economy on a smooth, upward course and to keep it moving in that direction. The enormous surge in Government spending and Government deficits must be ended. The only way to hold down the cost of living is to hold down the cost of Government.

If I may be permitted to interject a word on a subject that is before the Congress at this moment, I would urge that this organization join in the struggle to enact responsible, new tax legislation in the next 10 days.

On July 1, the temporary tax enacted last year will expire, and unless the Congress acts promptly, taxes will automatically increase. The Congress should not only extend the tax cut that was enacted last year but should increase it by \$10 billion and make it permanent. There is no excuse for the Government to take more and more of your earnings when it cannot fully justify their use and especially when those hard-earned tax dollars of yours can do more good for you and for this country in your pocket, not in the Government Treasury.

Let me specify two specific provisions in the additional \$10 billion tax reduction that I proposed and Congress must approve to help your family and our country. The personal exemption must be increased from \$750 to \$1,000. The estate tax exemption must be increased from \$60,000 to \$150,000, so that small business and small farms can stay in one family from one generation to another and not in the pockets of the taxpayer. And there is one other provision that involves all of you—estate tax transfers from husband to wife or wife to husband must be tax free.

Full individual freedom in America also means freedom from intrusive, overbearing government. This is a familiar theme in our American history. As long ago as Thomas Jefferson—he sounded it in the Declaration of Independence itself, where he complained that His Majesty's Government "has erected a Multitude of new Offices, and sent [hither] Swarms of Officers to harrass our People . . . "

Today we see the intrusion of our own Federal Government in many forms, some old and some new. We see it in the many regulatory agencies that have sprouted up along the Potomac and have imposed the massive regulatory burden upon American business. We see it in the way that some of our other departments

in Washington, under requirements mainly imposed by the Congress, have taken over many, many of the activities that once were left to the State and local units of government. We see it in the past records of some Government agencies that exceeded their authority and spied upon and otherwise violated the rights of individual American citizens. And we see it in the way that a few of our courts have wandered so far into the school busing controversy that they are practically running our local school boards.

The time has come to roll back the wave of big government in America. And we must never forget, a government big enough to give us everything we want is a government big enough to take from us everything we have.

We must bring order and restraint to the Federal regulatory process through sweeping reforms in airline transportation, in trucking, and in many other areas. In order to restore greater powers to local and State governments, to put decisions back where they belong, we must reenact general revenue sharing and collapse complicated education and health programs into new block grants.

So that the rights of our citizens may be protected while the essential intelligence functions of our Government continue, we are undertaking reforms in the intelligence community, and we are putting into place new constructive guidelines for the FBI.

In the next few days I plan to announce action in still another area—court-ordered, forced busing. There is no good reason why we cannot wipe out the vestiges of discrimination in America, achieve quality education for our children, and at the same time minimize the massive busing of our children.

Underlying actions in each of these areas is our fervent belief that individual liberty in this great country means liberty from oppressive, heavy-handed, bureaucratic government. That is a goal we can achieve; that is a goal we must achieve in our third century. I firmly believe that Americans can do anything if other Americans do not tie us down with redtape, tie us up with pessimism, or tie us into a knot of frustration and stagnation.

Let me reemphasize that my vision of the future means equal opportunity and equal rights for all of our citizens. The principle of racial equality is indelibly written into our Constitution and into our hearts, and in all that we do we must honor it.

Earlier in this century, the novelist Thomas Wolfe spoke about America in a way that is worth remembering. He said, "To every man his chance, to every man regardless of his birth his shining golden opportunity, to every man the right to live, to work, to be himself and to become whatever things his manhood

and his vision can combine to make him. This," he said, "is the promise of America." That is the promise we seek to fulfill in the next 100 years.

We must also recognize, as George Washington did in his first inaugural address, that no nation on Earth owes more to providence than does the United States of America. Our greatness is because of our goodness. Should we cease to be good, we would soon cease to be great. Americans have seen too much abuse of the moral imperatives of honesty and decency, the foundations of our civilized society.

Americans, especially our young people, can take little pride in the system that is dishonored by misconduct, whether in the White House or in the halls of Congress. The essential task of leadership in business, in education, in family life, and in public life is to inspire, to teach, to act with courage, to live with honor, and to show the way. Personal integrity must not be a part of nostalgia; it must be the living and lived essence of the American character.

There are many freedoms that we must secure, that we must expand in the United States, but let me mention only one other—freedom from war. On too many occasions since the Jaycees were founded, America has sent her finest sons to the battlefields in faraway lands. The first and foremost objective of every President is to protect and preserve the security of the United States.

Today that security is fully protected. Our armaments are unsurpassed; our alliances with Europe and Japan have never been healthier; our will in America is strong. Yet we must also recognize that we live in a world that is increasingly hostile to freedom. Only one nation in six in the world today is free and democratic. There are many, many nations that oppose our interests and our beliefs and our dedication to freedom and to liberty.

Through negotiations and constructive diplomacy, we are seeking to reduce the level of tensions with the Soviet Union. We share with them an interest in preventing a nuclear incineration, but we have no illusions that they have changed their political objectives or their essential world outlook. It is, therefore, incumbent upon us to maintain a strong, balanced military posture. Military strength is the best insurance for peace. We have that peace, and we are going to keep it.

One of my greatest frustrations as a Congressman—and I think Mayor Bill Hudnut can vividly recall it, because he served in the Congress with me—but that frustration was to join with the occupant of the White House, Democrat or Republican, in the fight for large defense budgets and then to see those budgets unmercifully cut by a congressional majority on the other side. In

just the past 10 years, the Congress has cut some \$50 billion from the defense budget recommended by three different Presidents, often to make room for new social programs of questionable merit.

This year I am pleased to report to you we are finally reversing that trend, and for the first time in a long, long while, the Congress seems ready to agree with the President for a needed increase in the expenditures and programs for the Defense Establishment. However, once again, I ask the support of the Jaycees on a critical issue. This country simply cannot afford anything less than the very best for the Army, the Navy, the Air Force, and the Marines.

America covets no one else's land. We seek no one else's treasures. Indeed, we have given generously of our own when others needed help. But we must also never shirk from the responsibility of protecting our interests and our own security. If the promise of individual freedom is to be achieved in the coming century, it will take a fullhearted effort by all Americans. I know that as Jaycees, you are devoted to humanity as the best work of life. You are neither weak nor timid in your devotion to America. You believe that citizens must be actively involved in the affairs of the state and of the Nation.

We have an historic opportunity in America today. We stand at the threshold of our third century. We can either let this time slip by with no clear vision of what we wish to achieve as a people, or we can seize this moment by resolving to fulfill the great promise of America to achieve full individual freedom for all Americans.

A year ago there was a special ceremony in the city of Boston at Old North Church. You may recall, that was the church where two lanterns were hung on the night of Paul Revere's famous ride. Last April they hung a third lantern in the Old North Church, and as they did, the rector spoke briefly about it: "The two lanterns which were shown from this steeple," he said, "led us to two centuries of some progress in reason, liberty, and in faith—but not enough; to some fulfillment in mind, body, and spirit—but not enough; to some gains in thinking, acting, and trusting in freedom—but not enough.

"Now the steeple of the Old North Church will shine with a third lantern tonight, a new signal that will call us to renewed effort and renewed hope in our third century. It will say we will yet make the American promise a reality; we will yet make it the truth everyday, everywhere, for everyone. We will go forward and we will stumble, but we will try again and again and again."

My fellow Jaycees, in this Bicentennial Year let us carry that message to every community across this land. Let us, through our own actions, become a beacon

of hope and of promise, and let us, working together, light the path to a new century of freedom for all Americans.

Thank you very, very much.

NOTE: The President spoke at 10:24 a.m. at the Indianapolis Convention Center. In his opening remarks, he referred to Richard L. Robinson, national president, and Alfred Simensen, executive

vice president, United States Jaycees, Governor Otis R. Brown of Indiana, and Mayor William Hudnut of Indianapolis.

611

Letter to Congressional Committee Chairmen Transmitting Report on the Status of Indochina Refugees. *June 22, 1976*

Dear Mr. Chairman:

In accordance with the provisions of the Indochina Migration and Refugee Assistance Act of 1975, I am reporting to you on the status of refugees from Cambodia and South Vietnam.

As this and my previous four reports show, remarkable progress has been made in the resettlement of the Indochina refugees since my April 18, 1975 establishment of a Federal program. Some 130,000 refugees were evacuated from Indochina and resettled in the United States before the end of calendar year 1975. The task of providing the Indochina refugee the assistance necessary to his becoming a self-reliant member of his new community has begun and continues. Many refugees have already successfully made the transition into American life. Substantial numbers, however, require financial, medical or educational assistance and this is being provided through private and public efforts.

Knowing the hopes and aspirations of these newcomers to our country and the demonstrated support of the American people, I am confident that progress will continue to be made.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable James O. Eastland, Chairman, Senate Committee on the Judiciary; the Honorable Peter W. Rodino, Chairman, House Committee on the Judiciary; the Honorable John J. Sparkman, Chairman, Senate Committee on Foreign Relations; the Honorable Thomas E. Morgan, Chairman, House Committee on International Relations; the

Honorable John L. McClellan, Chairman, Senate Committee on Appropriations; and the Honorable George H. Mahon, Chairman, House Committee on Appropriations.

The report is entitled "HEW Task Force for Indochina Refugees, Report to the Congress, June 15, 1976."

612

Message to the Senate Transmitting Fifth International Tin Agreement. June 23, 1976*To the Senate of the United States:*

I am transmitting herewith, for the advice and consent of the Senate to ratification, the Fifth International Tin Agreement, which was signed by the United States on March 11, 1976. The Fifth International Tin Agreement replaces the Fourth International Tin Agreement, which expires on June 30, 1976. The Fifth International Tin Agreement is scheduled to come into force July 1, 1976, for a period of five years.

Tin is a critical commodity for the United States. We have no mineable reserves and must import 80% of our requirements of tin, meeting the remainder by recycling tin-bearing scrap. In addition, our strategic stockpile contains an approximately four year supply of tin at current rates of consumption. We are the world's largest single consumer of tin, other large consumers being Japan, the European Community, Australia, and Canada. Primary tin is produced chiefly by six developing countries in Asia, Africa, and Latin America. Malaysia is the world's largest producer, accounting for about 40% of world supplies. Tin is an important source of foreign exchange for all these countries and vital to the success of their development plans.

Like its predecessors, the Fifth International Tin Agreement has as its main purpose stabilizing tin prices within agreed limits. Previous agreements have had some success in achieving this objective, especially with regard to the floor price. These agreements have proved a notable example of cooperation between producers and consumers in seeking solutions to common problems. The chief features of the Fifth International Tin Agreement are the following:

- An International Tin Council which meets on a regular basis to consider important issues and make decisions. Votes are divided equally between producer and consumer members as groups. Within the two groups votes are apportioned among members on the basis of their share of world production or consumption. Thus, the larger producers and consumers carry more weight in the Council's proceedings, but neither producers nor consumers as a group can dominate the Council. Normally, decisions require a simple majority vote of both producers and consumers, but certain important decisions require a two-thirds majority vote of both. As a member of the

Council, the United States would hold the largest number of consumer votes.

- A buffer stock consisting of at least 20,000 metric tons of tin or its equivalent in money. Sales are made from the buffer stock as the tin price approaches the agreed ceiling in an effort to defend the ceiling, while purchases are made as the price approaches the agreed floor in order to defend the floor. Producer members are required to make contributions to the buffer stock proportional to their share of world production. Consumer members may make such contributions on a voluntary basis and four—The United Kingdom, France, Belgium, and the Netherlands—have elected to do so. Both during the course of the negotiations of the Fifth International Tin Agreement and since that time, we have made clear that, should the United States elect to join, we would not make a contribution to the buffer stock.
- Provision for the imposition of export controls on producers. Export controls are usually imposed only after the buffer stock of tin metal has risen to over 5,000 metric tons as a result of efforts to slow falling prices.
- A requirement that member governments consult with the International Tin Council before making disposals from national stocks. For some years we have consulted with the International Tin Council as a matter of routine before making disposals from our strategic stockpile. This requirement, therefore, would not constitute any change for us. We have made clear, however, that we retain our right to make disposals from the stockpile as we see fit.

The United States did not join any of the first four International Tin Agreements. However, we participated in the negotiation of all but the Second International Tin Agreement, where we were an Observer. Following the completion of the negotiations for the Fifth International Tin Agreement in June, 1975, it received careful interagency examination and evaluation. As a result of that study, I have concluded that joining the Fifth International Tin Agreement would:

- Have minimal impact on the American economy and carry with it no adverse economic effects.
- Afford some protection to American industry and consumers by enabling the United States to influence the decisions of an organization that seeks to balance the international supply of tin with demand.
- Provide support for the concept of producer-consumer cooperation, and accommodate the strong desire of both producer and consumer members

that the United States, the world's largest single consumer of tin, join them in their work.

- Constitute a clear demonstration of our willingness to join with others in seeking solutions to outstanding commodity problems on a case-by-case basis, and of our desire to be forthcoming towards the developing world while safeguarding our national interests.

In view of these conclusions, I am convinced that joining the Fifth International Tin Agreement would serve our interests and have foreign policy benefits. I am transmitting a report submitted to me by the Secretary of State that explains the Fifth International Tin Agreement and our assessment of it in greater detail.

I recommend that the Senate give early and favorable consideration to the Fifth International Tin Agreement, and grant its advice and consent to ratification.

GERALD R. FORD

The White House,
June 23, 1976.

NOTE: The agreement and accompanying papers are printed in Senate Executive J (94th Cong., 2d sess.).

613

Message to the Senate Transmitting the United States-United Kingdom Convention on Taxation and Fiscal Evasion.

June 24, 1976

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at London on December 31, 1975, together with an exchange of notes modifying certain provisions of the Convention signed at London on April 13, 1976.

I also transmit for the information of the Senate the report of the Department of State with respect to the Convention and the exchange of notes.

This Convention and exchange of notes are designed to modernize the relationship with respect to taxes on income which has evolved between the United States and the United Kingdom from a similar Convention signed at Washington on April 16, 1945.

The Convention with subsequent exchange of notes is similar to other recent

United States income tax treaties, although it does have some new features which are described in the enclosed report of the Department of State.

Such tax conventions help promote economic cooperation with other countries. I urge the Senate to act favorably on this Convention and exchange of notes at an early date and to give its advice and consent to ratification.

GERALD R. FORD

The White House,
June 24, 1976.

NOTE: The convention and accompanying papers are printed in Senate Executive K (94th Cong., 2d sess.).

614

**Remarks Upon Signing a Special Message to Congress
Transmitting Proposed School Busing Legislation.
*June 24, 1976***

TO MANY Americans, busing appears the only way to achieve the equal educational opportunities so long denied them. To many other Americans, busing appears to restrict their individual freedom to choose the best school for their children to attend.

It is my responsibility and the responsibility of the Congress to seek a solution to this problem—a solution true to our common beliefs in civil rights for all Americans, individual freedom for every American, and the best public education for our children.

Today, I am submitting to the Congress legislation which I believe offers such a solution. I ask the Congress to join with me in establishing the guidelines for the lower Federal courts to follow. Busing as a remedy ought to be the last resort, and it ought to be limited in duration and in scope to correcting the effects of previous violations. These legislative guidelines are drawn within the framework of the Constitution.

I believe every American community should desegregate on a voluntary basis. Therefore, I am proposing the establishment of a committee composed of citizens who have had community experience in school desegregation and who are willing to assist other communities in voluntarily desegregating their schools. Citizens groups I have consulted on both sides of the busing issue have told me such a committee would be a welcome resource to communities which face up to the issue honestly, voluntarily, and in the best spirit of American democracy.

Concern has been expressed that by submitting this bill at this time, we risk encouraging those who are resisting court-ordered desegregation sometimes to the point of violence. Let me state here and now that this administration will not tolerate unlawful segregation. We will act swiftly and effectively against anyone who engages in violence. This administration will do whatever it must to preserve order and to protect the constitutional rights of our citizens.

The purpose of submitting this legislation now is to place the debate on this controversial issue in the halls of the Congress—a responsible and orderly debate within the democratic process—and not on the streets of our cities.

I will now sign the two messages—one to the House and one to the Senate—which will be delivered today along with the proposed legislation.

NOTE: The President spoke at 11:40 a.m. in the Oval Office at the White House.

615

Special Message to the Congress Transmitting Proposed School Busing Legislation. *June 24, 1976*

To the Congress of the United States:

I address this message to the Congress and through the Congress to all Americans, on an issue of profound importance to our domestic tranquility and the future of American education.

Most Americans know this issue as busing—the use of busing to carry out court-ordered assignment of students to correct illegal segregation in our schools.

In its fullest sense the issue is how we protect the civil rights of all Americans without unduly restricting the individual freedom of any American.

It concerns the responsibility of government to provide quality education, and equality of education, to every American.

It concerns our obligation to eliminate, as swiftly as humanly possible, the occasions of controversy and division from the fulfillment of this responsibility.

At the outset, let me set forth certain principles governing my judgments and my actions.

First, for all of my life I have held strong personal feelings against racial discrimination. I do not believe in a segregated society. We are a people of diverse background, origins and interests; but we are still one people—Americans—and so must we live.

Second, it is the duty of every President to enforce the law of the land. When I became President, I took an oath to preserve, protect and defend the Constitution

of the United States. There must be no misunderstanding about this: I will uphold the Constitutional rights of every individual in the country. I will carry out the decisions of the Supreme Court. I will not tolerate defiance of the law.

Third, I am totally dedicated to quality education in America—and to the principle that public education is predominantly the concern of the community in which people live. Throughout the history of our Nation, the education of our children, especially at the elementary and secondary levels, has been a community endeavor. The concept of public education is now written into our history as deeply as any tenet of American belief.

In recent years, we have seen many communities in the country lose control of their public schools to the Federal courts because they failed to voluntarily correct the effects of willful and official denial of the rights of some children in their schools.

It is my belief that in their earnest desire to carry out the decisions of the Supreme Court, some judges of lower Federal Courts have gone too far. They have:

- resorted too quickly to the remedy of massive busing of public school children;
- extended busing too broadly; and
- maintained control of schools for too long.

It is this overextension of court control that has transformed a simple judicial tool, busing, into a cause of widespread controversy and slowed our progress toward the total elimination of segregation.

As a President is responsible for acting to enforce the Nation's laws, so is he also responsible for acting when society begins to question the end results of those laws.

I therefore ask the Congress, as the elected representatives of the American people, to join with me in establishing guidelines for the lower Federal Courts in the desegregation of public schools throughout the land—acting within the framework of the Constitution and particularly the Fourteenth Amendment to the Constitution.

It is both appropriate and Constitutional for the Congress to define by law the remedies the lower Federal Courts may decree.

It is both appropriate and Constitutional for the Congress to prescribe standards and procedures for accommodating competing interests and rights.

Both the advocates of more busing and the advocates of less busing feel they hold a strong moral position on this issue.

To many Americans who have been in the long struggle for civil rights, busing

appears to be the only way to provide the equal educational opportunity so long and so tragically denied them.

To many other Americans who have struggled much of their lives and devoted most of their energies to seeking the best for their children, busing appears to be a denial of an individual's freedom to choose the best school for his or her children.

Whether busing helps school children get a better education is not a settled question. The record is mixed. Certainly, busing has assisted in bringing about the desegregation of our schools. But it is a tragic reality that, in some areas, busing under court order has brought fear to both black students and white students—and to their parents.

No child can learn in an atmosphere of fear. Better remedies to right Constitutional wrongs must be found.

It is my responsibility, and the responsibility of the Congress, to address and to seek to resolve this situation.

In the twenty-two years since the Supreme Court ordered an end to school segregation, this country has made great progress. Yet we still have far to go.

To maintain progress toward the orderly elimination of illegal segregation in our public schools, and to preserve—or, where appropriate, restore—community control of schools, I am proposing legislation to:

1. Require that a court in a desegregation case determine the extent to which acts of unlawful discrimination have caused a greater degree of racial concentration in a school or school system than would have existed in the absence of such acts;

2. Require that busing and other remedies in school desegregation cases be limited to eliminating the degree of student racial concentration caused by proven unlawful acts of discrimination;

3. Require that the utilization of court-ordered busing as a remedy be limited to a specific period of time consistent with the legislation's intent that it be an interim and transitional remedy. In general, this period of time will be no longer than five years where there has been compliance with the court order.

4. Create an independent National Community and Education Committee to help any school community requesting citizen assistance in voluntarily resolving its school segregation problem.

Almost without exception, the citizens' groups both for and against busing with which I have consulted told me that the proposed National Community and Education Committee could be a positive addition to the resources currently

available to communities which face up to the issue honestly, voluntarily and in the best spirit of American democracy.

This citizens' Committee would be made up primarily of men and women who have had community experience in school desegregation activities.

It would remain distinct and separate from enforcement activities of the Federal Courts, the Justice Department and the Department of Health, Education and Welfare.

It is my hope that the Committee could activate and energize effective local leadership at an early stage:

- To reduce the disruption that would otherwise accompany the desegregation process; and

- To provide additional assistance to communities in anticipating and resolving difficulties prior to and during desegregation.

While I personally believe that every community should effectively desegregate on a voluntary basis, I recognize that some court action is inevitable.

In those cases where Federal court actions are initiated, however, I believe that busing as a remedy ought to be the last resort, and that it ought to be limited in scope to correcting the effects of previous Constitutional violations.

The goal of the judicial remedy in a school desegregation case ought to be to put the school system, and its students, where they would have been if the acts which violate the Constitution had never occurred.

The goal should be to eliminate "root and branch" the Constitutional violations and all of their present effects. This is the Constitutional test which the Supreme Court has mandated—nothing more, nothing less.

Therefore, my bill would establish for Federal courts specific guidelines concerning the use of busing in school desegregation cases. It would require the court to determine the extent to which acts of unlawful discrimination by governmental officials have caused a greater degree of racial concentration in a school or school system than would have existed in the absence of such acts. It would further require the court to limit the relief to that necessary to correct the racial imbalance actually caused by those unlawful acts. This would prohibit a court from ordering busing throughout an entire school system simply for the purpose of achieving racial balance.

In addition, my bill recognizes that the busing remedy is transitional by its very nature and that when a community makes good faith efforts to comply, busing ought to be limited in duration. Therefore, the bill provides that three years after the busing remedy has been imposed a court shall be required to determine whether to continue the remedy. Should the court determine that

a continuation is necessary, it could do so only for an additional two years. Thereafter, the court could continue busing only in the most extraordinary circumstances, where there has been a failure or delay of other remedial efforts or where the residual effects of unlawful discrimination are unusually severe.

Great concern has been expressed that submission of this bill at this time would encourage those who are resisting court-ordered desegregation—sometimes to the point of violence.

Let me here state, simply and directly, that this Administration will not tolerate unlawful segregation.

We will act swiftly and effectively against anyone who engages in violence.

I assure the people of this Nation that this Administration will do whatever it must to preserve order and to protect the Constitutional rights of our citizens.

The purpose of submitting this legislation now is to place the debate on this controversial issue in the halls of Congress and in the democratic process—not in the streets of our cities.

The strength of America has always been our ability to deal with our own problems in a responsible and orderly way.

We can do so again if every American will join with me in affirming our historic commitment to a Nation of laws, a people of equality, a society of opportunity.

I call on the Congress to write into law a new perspective which sees court-ordered busing as a tool to be used with the highest selectivity and the utmost precision.

I call on the leaders of all the Nation's school districts which may yet face court orders to move voluntarily, promptly, objectively and compassionately to desegregate their schools.

We must eliminate discrimination in America.

We must summon the best in ourselves to the cause of achieving the highest possible quality of education for each and every American child.

GERALD R. FORD

The White House,
June 24, 1976.

NOTE: A copy of the draft bill and a section-by-section analysis were made a part of the release.

616

Message to the Congress Transmitting Annual Reports on Highway, Traffic, and Motor Vehicle Safety Programs.***June 25, 1976****To the Congress of the United States:*

The annual reports on administration of the Highway Safety and National Traffic and Motor Vehicle Safety Acts of 1966 are transmitted for your consideration. They describe some of the many and varied programs undertaken to carry out the purpose of Congress to reduce the rising numbers of traffic accidents, injuries and deaths. The volume on motor vehicle safety also includes the annual report required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972. The highway safety document contains information on a number of activities initiated because of provisions in the Highway Safety Act of 1973.

Ten years after passage of the basic legislation, the American motorist is safer than ever before. The 1975 data show that: There were 45,674 traffic deaths, 6,000 fewer than in 1967, and 9,000 less than in 1973. The number of deaths per 100 million miles of travel reached 3.47, the lowest rate on record and far below that of any other industrial nation. The principal category of highway users, motor vehicle occupants, show the largest statistical improvement. Deaths in this category remained fairly constant until the 1973–1974 fuel crisis, while fatalities among other classes were rising.

These figures represent a real achievement in view of the tremendous growth in traffic during that period. This progress was made possible through the cooperation and support of Federal, State and community governments, of industry, private organizations, and the taxpaying public. It is the cumulative effect of a wide variety of safety and energy conservation programs, as well as research designed to improve the safety of the traffic components— vehicle, highway, and driver.

The fatality figures are still far too large. There is a long way to go to containment within tolerable limits. However, the rising death curve of this century has been turned around. This merits the continued support of the Congress, and of all of the organizations and individuals who brought it about.

GERALD R. FORD

The White House,
June 25, 1976.

NOTE: The reports are entitled:

"Motor Vehicle Safety, A Report on Activities Under the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act of 1972 (January 1, 1975–December 31, 1975) U.S. Department of Transportation, National Highway Traffic Safety Administration, Federal Highway Administration—Report by the President of the United States to

the Congress, 1975" (68 pp. plus appendixes).

"Traffic Safety, A Report on Activities Under the Highway Safety Act of 1966 (January 1, 1975–December 31, 1975) U.S. Department of Transportation, National Highway Traffic Safety Administration, Federal Highway Administration—Report by the President of the United States to the Congress, 1975" (82 pp. plus appendixes).

617

Remarks at a Reception for Members of the Republican
National Committee. June 25, 1976

Thank you very, very much, Mary Louise, and Members of the Congress, members of the National Committee, distinguished guests, ladies and gentlemen:

It's really wonderful to see you all, and I am especially delighted again to see so many good Republicans in the White House. [*Laughter*]

I was reminiscing as I came over here, and the records show that we all got together on a similar occasion on February 26 of this year. At that time, I apologized for Betty being absent. I said she liked to travel. She had at random at that time happened to be in Florida. [*Laughter*] She still likes to travel; she picked at random today, Minnesota. [*Laughter*]

But I can assure you that she feels as I do, that we welcome each and every one of you to the White House. As Mary Louise said, we strongly believe that this is the home of the American people, and we feel very strongly it is wonderful to have so many good Republicans here. And it is particularly pleasant to know that we have so many good Republicans who are deeply interested in the philosophy of the Republican Party and, more particularly, the need and necessity for a united Republican Party.

On that point, I think we all have to be very realistic. If you take the polls, the Republican Party has 20 percent of the people in this country who are eligible to vote. Our opposition has substantially a greater percentage. There are a great number of people in-between our people and theirs.

And so, we can't go to Kansas City and end up at the convention at that time, where half of the people go home and won't work and won't go out and work to achieve what we really and very strongly believe in, which is the philosophy

that the Members on the Republican side in the House and the Senate fight day after day after day to achieve, what you and your associates in 50 States do day after day after day on behalf of the party in the precincts, in the counties, in the cities, and in the congressional districts.

So, our mission is to have whatever contest we have, but when we leave Kansas City after this nominating process, it is vitally important for the party, yes, but it is more important for the country and, therefore, I urge and plead that despite whatever differences we might have between now and August, that when we leave that convention that we go under a banner of unity and strength. And I pledge to you that I will do that.

I want to make a special plea, if I might, for full support for Hugh Scott and John Rhodes—is John here? I understood he was—our leaders, and their aides or assistants, Bob Griffin and Bob Michel. They have carried on magnificently under very difficult odds in the Senate as well as in the House. They've been outnumbered 2 to 1, if not more, and they've done a superb job of holding the line. And their cooperation and coordination with me in the White House for the past 22 months has been exemplary.

I couldn't have asked for stronger support than that which Hugh has given me—Bob Griffin, John Rhodes, and Bob Michel, and their associates in the Republican leadership. What they need is more troops, and so I urge that all of you get your candidates. I met about 170 of them the other day, and they look awfully good to me. And I know some more will be selected between now and some time in August or September. But we have to get a sizable number of more Republicans in both the House and the Senate.

Now, Ted Stevens is the campaign head for the Senate, and Guy Vander Jagt is the Republican congressional campaign leader. They've done a super job in raising money, in laying out programs for these candidates. They had a candidates' school here for the House Members this past week. Every candidate that I saw came away with a tremendous feeling of enthusiasm. They had been well prepared, and I think we are going to go out and get a sizable number of House and Senate Members, and that's vitally important.

We can then do some affirmative things instead of just holding on by our fingertips, which has been the case, as Hugh and Bob and John and Bob Michel know. And I pledge to you that I will be out there helping in every way possible. We've got to win from the courthouse to the Congress, and that includes our gubernatorial candidates across the board.

So, number one, we've got to be unified; number two, we have to strengthen the party from the grassroots to the White House; and, number three, it's my

honest judgment and opinion that we have a good record to run on as a Republican Party.

We all know that 1974 was a tough year for Republicans, and we all know the reasons why. We had economic problems; we still had the war in Vietnam; and we had troubles involving Watergate. But everything has turned around in 1976. And so a Republican candidate, whether he is running at the local or at the White House level, can go forward with pride and can go forward affirmatively.

Therefore, I think 1976, regardless of who the Democrats put up, will be a good year for the Republican candidates. And I pledge to you that I will do my utmost to work with you, to work with the candidates that you select, and will work hard to the best of my ability to carry on the kind of programs that have been good for America.

I thank you very much, and I appreciate your being here. And I conclude with this observation: We have some refreshments in the State Dining Room. We have arranged—or Betty has arranged—that if you would like to go up on the second floor and see the Lincoln Bedroom and see some of the other fabulous rooms there, that is possible. So make yourselves at home.

I look forward to saying hello and chatting with you. It's good to see you. Let's march to Kansas City, let's march to November 2 with nothing but victory.

Thank you very, very much.

NOTE: The President spoke at 5:53 p.m. in the East Room at the White House. In his opening remarks, he referred to Mary Louise Smith, Republi-

can National Committee chairman.

As printed above, this item follows the text of the White House press release.

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Remarks on Arrival at the International Summit Conference in Puerto Rico. June 26, 1976

Mr. Governor, distinguished members of the welcoming committee:

I thank you for the very warm welcome upon my arrival at the summit. It is an honor for the United States to be the host of this conference. I know that world leaders who are joining me will be as appreciative of the beauty and the hospitality of Puerto Rico as I am.

In recent years the industrialized democracies have become increasingly concerned with the questions of economic growth and stability. The linkages between our nations have multiplied. Our economies have become more closely interrelated. Last November, at Rambouillet, we began a dialog which recognized our mutual concerns and our interrelationships. Today, we come together

to continue that dialog. We are fully aware of how important it is for us to work together to shape policies to achieve stable economic growth and to respond to the new challenges and opportunities which face us all.

Since we last met, we have witnessed significant economic improvements throughout the world. Certainly, in the United States our progress has been better than many predicted. But some old problems remain and new ones confront us. The very speed of the recovery itself serves as a major test of our ability to ensure long-term stability in our economy.

This is not a test, however, for the United States alone. It is the special challenge facing the peoples of all the industrialized democracies. I welcome the opportunity to meet again with the leaders of our major economic partners. I am confident that these discussions will help us to continue our current economic progress and move us ever closer to our goal of economic growth and stability throughout the world.

Mr. Governor, this is my first visit as President to the Commonwealth of Puerto Rico. It is a fitting moment to reflect on the rich and long history of co-operation and participation which this island and its people share with the United States. That history has been built on a simple but fundamental concept—the right of the people of Puerto Rico and the United States freely to determine the nature of their ties with one another. Over the years we have chosen to have a close relationship. We have built this relationship around a common citizenship, a common defense, a common currency, and a common market.

Today, we find that the nature of our relationship is again, as in the past, a subject of free discussion and free debate. This in itself is the best testament to the strength of what we have built together. It is the best promise that what we together choose to do in the future will be beneficial to the people of this island.

There are those, however, who seek to distort the facts, to mislead others about our relationship with Puerto Rico. The record is clear; the record is open. We are proud of the relationship that we have developed together, and we invite the world to examine it. We commend to its critics the same freedom of choice through free and open election, which is enjoyed by the people of Puerto Rico. Those who might be inclined to interfere in our freely determined relations should know that such an act will be considered an intervention in the domestic affairs of Puerto Rico and the United States. It will be an unfriendly act which will be resisted by appropriate means.

In the midst of this beautiful setting, we cannot forget that problems, both political and economic, still remain. As we base our hopes on freedom of choice

and expression to help resolve the political problems, so we look to cooperation and interdependence to overcome our economic problems.

Mr. Governor, I am hopeful that the work of this summit will give a new impetus to the growth of our worldwide economy and improved international cooperation and, thus, we will have a positive effect on both the United States and Puerto Rico.

Again, I thank you, Mr. Governor, for your warm welcome and for your help in hosting this summit.

Thank you.

NOTE: The President spoke at 12:10 p.m. at the Puerto Rico International Airport, Carolina, Puerto Rico, where he was given a formal welcome with full military honors.

Governor Hernández-Colón spoke in Spanish. His remarks were translated by an interpreter as follows:

Thank you, Mr. President.

Mr. President, on behalf of all the people of Puerto Rico, *bienvenidos*—welcome to Puerto Rico.

The Commonwealth is both proud and honored for this visit by the President of the United States and to serve as the site for the summit conference of the heads of state and government of the United States, France, Great Britain, Germany, Japan, Italy, and Canada.

The decisions to be made during the 2 days of the conference will have a profound and lasting effect on the economies of the world. We

pray that your deliberations and those of your fellow heads of state and government be guided by the highest sense of world community and a profound commitment to the welfare of the peoples of the world.

We know that during this conference of the industrialized democracies, special attention and consideration will be given to the needs of the developing nations of the world in the interest of true human harmony and brotherhood.

We in Puerto Rico are convinced that ultimate success lies in common cooperation and mutual respect of the kind that exists between Puerto Rico and the United States and which has been the basis of our struggle to bring a better life, a better way of life for all of our people.

Mr. President, please accept a warm and fraternal *abrazo* in the name of the people of Puerto Rico and our sincere desire for a fruitful and successful conference.

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Text of Remarks at the Opening Session of the International Summit Conference in Puerto Rico. June 27, 1976

ON BEHALF of myself and my colleagues and the people of the United States, I welcome you to Puerto Rico. We have a formidable task ahead of us in these next 2 days—to address major, common concerns and to identify areas in which improved cooperation among us can contribute to the well-being of our citizens and to a more secure and prosperous world.

As we all know, meetings of this sort raise anticipations of dramatic results. But the important thing about Rambouillet and our meeting here today is that they are part of an essential and continuing bilateral and multilateral effort by the leaders of key, industrialized democracies to address common problems and

to improve mutual understanding. The complexity of our nations' economies, individually and collectively, means that we, as leaders, cannot afford to allow major difficulties to arise and then, by dramatic meetings, attempt to resolve them. It requires, instead, that we concert our efforts to prevent problems from arising in the first place—to shape the future rather than reacting to it. It is with that objective in mind that this summit is being held.

The central economic, political, and security importance of our countries to one another and to the world confers upon us special responsibilities. In the economic area, on which we will focus today and tomorrow, our strong commitment to shape constructive approaches can contribute to the prosperity of our peoples, strengthen our broader relationships, and prove highly beneficial to the world at large. Recent experience has clearly demonstrated that because of the interdependence of our nations, common problems are unlikely to be solved unless we apply our mutual efforts. They have, in addition, shown that our common interests are far more significant than the differences which arise among us from time to time. We have, therefore, wisely approached recent problems with a political will and spirit of cooperation which have not only helped us resolve them but which have, in fact, strengthened considerably relations among our nations and among the industrialized democracies as a whole.

This conference builds on and can help us continue the progress already made. The vision and sense of shared purpose which results from our meetings will help each of us pursue constructive policies at home with respect to our economic partners and in dealing with major global issues.

I am confident that the same positive spirit that was developed at Rambouillet will extend through our meetings here in Puerto Rico and beyond. Much of the world's future depends on our constructive cooperation.

NOTE: The President spoke at 4 p.m. at the Dorado Beach Hotel, Dorado Beach, Puerto Rico.

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Remarks at the Conclusion of the International Summit Conference in Puerto Rico. *June 28, 1976*

WE HAVE just concluded 2 days of very productive discussions on a number of issues of great importance to us all. Our talks were characterized by a seriousness of purpose, a firm desire to improve our understanding of one another's views, and a common commitment to strengthen constructive cooperation among all nations.

During the course of our discussions, we reached agreement in several significant areas. These are set out in the declaration that we have just adopted.

First, we are confident about the future economic and financial outlook for all of our countries. All of us are committed to achieving sustainable growth which will reduce unemployment without jeopardizing our common aim of avoiding a new wave of inflation. We recognize that the sustained economic expansion we seek and the resultant increase in individual well-being cannot be achieved in the context of high inflation rates.

We agreed that our objective of monetary stability must not be undermined by the strains of financing payments imbalances. Each nation should manage its economy and its international monetary affairs so as to correct or avoid persistent or structural international payments imbalances.

We have recognized that problems may arise for a few developed countries which have special needs, which have not yet restored domestic economic stability, and which face major payments deficits. We agreed that if assistance in financing transitory balance of payments deficits is necessary to avoid general disruptions in economic growth, it can best be provided by multilateral means in conjunction with a firm program for restoring underlying equilibrium.

The industrialized democracies can be most successful in helping developing nations by agreeing on, and working together to implement sound solutions to their own problems—solutions which enhance the efficient operation of the international economy. Our efforts must be mutually supportive rather than competitive. We remain determined to continue the dialog with the developing countries to achieve concrete results.

We agreed on the importance of maintaining a liberal climate for the flow of international investment. We agreed to examine carefully the various aspects of East-West economic contacts so that they enhance overall East-West relations.

Together, the results of our discussions represent a significant step forward in cooperation among the industrial democracies. They establish positive directions which will benefit not only our peoples but the international economy as a whole.

In conclusion, let me add a personal note. I was greatly impressed with the candid and friendly atmosphere here. Our countries have come through a very difficult period. Our cooperation during this period has not only contributed to the resolution of problems but has, in fact, significantly strengthened relations among our countries and among the industrialized democracies as a whole.

We can be proud of this record and of our nations' abilities to meet the severe challenges that we have faced. In my view the spirit of Rambouillet, which was

carried forward to these meetings in Puerto Rico, has strengthened prospects for progress by the industrialized democracies in a number of key areas. If we nurture the sense of common purpose and of common vision which has characterized these discussions, we have an opportunity to shape events and to better meet the needs of our citizens and of all the world.

NOTE: The President spoke at 3:02 p.m. at the Dorado Beach Hotel, Dorado Beach, Puerto Rico. Following his remarks, the heads of the delegations of the other participating countries made final

statements.

As printed above, this item follows the text of the White House press release.

621

Joint Declaration Following the International Summit Conference in Puerto Rico. *June 28, 1976*

THE HEADS of state and government of Canada, France, the Federal Republic of Germany, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America met at Dorado Beach, Puerto Rico, on the 27th and 28th of June, 1976, and agreed to the following declaration:

The interdependence of our destinies makes it necessary for us to approach common economic problems with a sense of common purpose and to work toward mutually consistent economic strategies through better cooperation.

We consider it essential to take into account the interests of other nations. And this is most particularly true with respect to the developing countries of the world.

It was for these purposes that we held a broad and productive exchange of views on a wide range of issues. This meeting provided a welcome opportunity to improve our mutual understanding and to intensify our cooperation in a number of areas. Those among us whose countries are members of the European Economic Community intend to make their efforts within its framework.

At Rambouillet, economic recovery was established as a primary goal and it was agreed that the desired stability depends upon the underlying economic and financial conditions in each of our countries.

Significant progress has been achieved since Rambouillet. During the recession there was widespread concern regarding the longer-run vitality of our economies. These concerns have proved to be unwarranted. Renewed confidence in the future has replaced doubts about the economic and financial outlook. Economic recovery is well under way and in many of our countries there has been substantial progress in combating inflation and reducing unemployment. This has

improved the situation in those countries where economic recovery is still relatively weak.

Our determination in recent months to avoid excessive stimulation of our economies and new impediments to trade and capital movements as contributed to the soundness and breadth of this recovery. As a result, restoration of balanced growth is within our grasp. We do not intend to lose this opportunity.

Our objective now is to manage effectively a transition to expansion which will be sustainable, which will reduce the high level of unemployment which persists in many countries and will not jeopardize our common aim of avoiding a new wave of inflation. That will call for an increase in productive investment and for partnership among all groups within our societies. This will involve acceptance, in accordance with our individual needs and circumstances, of a restoration of better balance in public finance, as well as of disciplined measures in the fiscal area and in the field of monetary policy and in some cases supplementary policies, including incomes policy. The formulation of such policies, in the context of growing interdependence, is not possible without taking into account the course of economic activity in other countries. With the right combination of policies we believe that we can achieve our objectives of orderly and sustained expansion, reducing unemployment and renewed progress toward our common goal of eliminating the problem of inflation. Sustained economic expansion and the resultant increase in individual well-being cannot be achieved in the context of high rates of inflation.

At the meeting last November, we resolved differences on structural reform of the international monetary system and agreed to promote a stable system of exchange rates which emphasized the prerequisite of developing stable underlying economic financial conditions.

With those objectives in mind, we reached specific understandings, which made a substantial contribution to the IMF meeting in Jamaica. Early legislative ratification of these agreements by all concerned is desirable. We agreed to improve cooperation in order to further our ability to counter disorderly market conditions and increase our understanding of economic problems and the corrective policies that are needed. We will continue to build on this structure of consultations.

Since November, the relationship between the dollar and most of the main currencies has been remarkably stable. However, some currencies have suffered substantial fluctuations.

The needed stability in underlying economic and financial conditions clearly has not yet been restored. Our commitment to deliberate, orderly and sustained

expansion, and to the indispensable companion goal of defeating inflation provides the basis for increased stability.

Our objective of monetary stability must not be undermined by the strains of financing international payments imbalances. We thus recognize the importance of each nation managing its economy and its international monetary affairs so as to correct or avoid persistent or structural international payments imbalances. Accordingly, each of us affirms his intention to work toward a more stable and durable payments structure through the application of appropriate internal and external policies.

Imbalances in world payments may continue in the period ahead. We recognize that problems may arise for a few developed countries which have special needs, which have not yet restored domestic economic stability, and which face major payments deficits. We agree to continue to cooperate with others in the appropriate bodies on further analysis of these problems with a view to their resolution. If assistance in financing transitory balance of payments deficits is necessary to avoid general disruptions in economic growth, then it can best be provided by multilateral means coupled with a firm program for restoring underlying equilibrium.

In the trade area, despite the recent recession, we have been generally successful in maintaining an open trading system. At the OECD we reaffirmed our pledge to avoid the imposition of new trade barriers.

Countries yielding to the temptation to resort to commercial protectionism would leave themselves open to a subsequent deterioration in their competitive standing; the vigor of their economies would be affected while at the same time chain reactions would be set in motion and the volume of world trade would shrink, hurting all countries. Wherever departures from the policy set forth in the recently renewed OECD trade pledge occur, elimination of the restrictions involved is essential and urgent. Also, it is important to avoid deliberate exchange rate policies which would create severe distortions in trade and lead to a resurgence of protectionism.

We have all set ourselves the objective of completing the Multilateral Trade Negotiations by the end of 1977. We hereby reaffirm that objective and commit ourselves to make every effort through the appropriate bodies to achieve it in accordance with the Tokyo Declaration.

Beyond the conclusion of the trade negotiations we recognize the desirability of intensifying and strengthening relationships among the major trading areas with a view to the long-term goal of a maximum expansion of trade.

We discussed East/West economic relations. We welcomed in this context

the steady growth of East/West trade, and expressed the hope that economic relations between East and West would develop their full potential on a sound financial and reciprocal commercial basis. We agreed that this process warrants our careful examination, as well as efforts on our part to ensure that these economic ties enhance overall East/West relationships.

We welcome the adoption, by the participating countries, of converging guidelines with regard to export credits. We hope that these guidelines will be adopted as soon as possible by as many countries as possible.

In the pursuit of our goal of sustained expansion, the flow of capital facilitates the efficient allocation of resources and thereby enhances our economic well-being. We, therefore, agree on the importance of a liberal climate for international investment flows. In this regard, we view as a constructive development the declaration which was announced last week when the OECD Council met at the Ministerial level.

In the field of energy, we intend to make efforts to develop, conserve and use rationally the various energy resources and to assist the energy development objectives of developing countries.

We support the aspirations of the developing nations to improve the lives of their peoples. The role of the industrialized democracies is crucial to the success of their efforts. Cooperation between the two groups must be based on mutual respect, take into consideration the interests of all parties and reject unproductive confrontation in favor of sustained and concerted efforts to find constructive solutions to the problems of development.

The industrialized democracies can be most successful in helping the developing countries meet their aspirations by agreeing on, and cooperating to implement, sound solutions to their problems which enhance the efficient operation of the international economy. Close collaboration and better coordination are necessary among the industrialized democracies. Our efforts must be mutually supportive, not competitive. Our efforts for international economic cooperation must be considered as complementary to the policies of the developing countries themselves to achieve sustainable growth and rising standards of living.

At Rambouillet, the importance of a cooperative relationship between the developed and developing nations was affirmed; particular attention was directed to following up the results of the Seventh Special Session of the UN General Assembly, and especially to addressing the balance of payments problems of some developing countries. Since then, substantial progress has been made. We welcome the constructive spirit which prevails in the work carried out in the framework of the Conference on International Economic Cooperation, and also

by the positive results achieved in some areas at UNCTAD IV in Nairobi. New measures taken in the IMF have made a substantial contribution to stabilizing the export earnings of the developing countries and to helping them finance their deficits.

We attach the greatest importance to the dialogue between developed and developing nations in the expectation that it will achieve concrete results in areas of mutual interest. And we reaffirm our countries' determination to participate in this process in the competent bodies, with a political will to succeed, looking toward negotiations, in appropriate cases. Our common goal is to find practical solutions which contribute to an equitable and productive relationship among all peoples.

NOTE: Participants in the 2-day conference were President Ford, President Valéry Giscard d'Estaing of France, Prime Minister Pierre Elliott Trudeau of Canada, Chancellor Helmut Schmidt of the Federal Republic of Germany, Prime Minister Aldo Moro of Italy, Prime Minister Takeo Miki of

Japan, and Prime Minister James Callaghan of the United Kingdom of Great Britain and Northern Ireland.

The text of the joint declaration was released at Dorado Beach, Puerto Rico.

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Message to the Congress Transmitting Annual Report on Aeronautics and Space Activities. June 29, 1976

To the Congress of the United States:

I am pleased to transmit this report on the Nation's progress in space and aeronautics during 1975. This report is provided in accordance with Section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476).

1975 was another year of continued progress in the Nation's space and aeronautics activities. It marked significant accomplishments in many areas.

Earth orbiting satellites continued to bring new and increased benefits in a variety of applications. Two additional international communications satellites were launched, expanding the already impressive international satellite communications capability. A second domestic commercial communications satellite was put into operation. Military satellite communications were enhanced. In addition, a new system of satellites for global weather reporting was initiated, providing reports every thirty minutes on weather across half the globe.

Landsat 2 was orbited to join Landsat 1 to provide additional earth sensing data to explore potential uses in a wide range of activities, including crop fore-

casting, pollution monitoring, forestry and land use studies, and in mineral exploration.

I had the pleasure and thrill of talking to our astronauts and the Soviet cosmonauts when they linked up in space at the culmination of the historic U.S.-U.S.S.R. Apollo Soyuz Test Project.

Major milestones were met in the development of the Space Shuttle, the Nation's current major space project. Canada agreed to develop the remote manipulator system for the Shuttle, a major and welcome contribution.

Development of Spacelab, a key system to take advantage of the capability of the Space Shuttle and being built and funded by the European Space Agency, continued on schedule.

We continued to probe the unknown in space. Pioneer 10 will be the first man-made object to venture beyond our solar system. Pioneer 11 will make the first flyby of Saturn in 1979. In passing Jupiter these vehicles sent back pictures that added greatly to our knowledge of the largest planet. Last August and September we launched two Viking spacecraft toward Mars. They will arrive at the height of our Bicentennial celebration and may provide information on the existence of life in some form on our neighboring planet.

In aeronautics, research focused on the technologies needed to reduce fuel requirements, noise, and pollution. Also emphasized was improved reliability, performance, and safety. Military aircraft development featured the first supersonic flight of the B-1, the operational deployment of the F-14 and F-15, and the selection of the F-16 and F-18 as future fighter aircraft.

The fruits of our research continued to be enjoyed by the transfer of space and aeronautics technology to many beneficial uses in our society, including energy research, medical care, transportation, and new techniques and materials for manufacturing.

Our Nation's activities in aeronautics and space continue to be a major contribution to our quality of life and economic growth.

We can all take pride in our commitment to advancement in space and aeronautics as reflected in the accomplishments described in this report.

GERALD R. FORD

The White House,
June 29, 1976.

NOTE: The report is entitled "Aeronautics and Space Report of the President, 1975 Activities" (Government Printing Office, 112 pp.).

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Proclamation 4446, Bicentennial Independence Day.*June 29, 1976**By the President of the United States of America a Proclamation*

The Continental Congress by resolution adopted July 2, 1776, declared that thirteen American colonies were free and independent states. Two days later, on the fourth of July, the Congress adopted a Declaration of Independence which proclaimed to the world the birth of the United States of America.

In the two centuries that have passed, we have matured as a nation and as a people. We have gained the wisdom that age and experience bring, yet we have kept the strength and idealism of youth.

In this year of our Nation's Bicentennial, we enter our third century with the knowledge that we have achieved greatness as a nation and have contributed to the good of mankind. We face the future with renewed dedication to the principles embodied in our Declaration of Independence, and with renewed gratitude for those who pledged their lives, their fortunes and their sacred honor to preserve individual liberty for us.

In recognition of the two hundredth anniversary of the great historic events of 1776, and in keeping with the wishes of the Congress, I ask that all Americans join in an extended period of celebration, thanksgiving and prayer on the second, third, fourth and fifth days of July of our Bicentennial year—so that people of all faiths, in their own way, may give thanks for the protection of divine Providence through 200 years, and pray for the future safety and happiness of our Nation.

To commemorate the adoption of the Declaration of Independence, the Congress, by concurrent resolution adopted June 26, 1963 (77 Stat. 944), declared that its anniversary be observed by the ringing of bells throughout the United States.

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, do hereby proclaim that the two hundredth anniversary of the adoption of the Declaration of Independence be observed by the simultaneous ringing of bells throughout the United States at the hour of two o'clock, eastern daylight time, on the afternoon of the Fourth of July, 1976, our Bicentennial Independence Day, for a period of two minutes, signifying our two centuries of independence.

I call upon civic, religious, and other community leaders to encourage public

participation in this historic observance. I call upon all Americans, here and abroad, including all United States flag ships at sea, to join in this salute.

As the bells ring in our third century, as millions of free men and women pray, let every American resolve that this Nation, under God, will meet the future with the same courage and dedication Americans showed the world two centuries ago. In perpetuation of the joyous ringing of the Liberty Bell in Philadelphia, let us again "Proclaim Liberty throughout all the Land unto all the Inhabitants thereof."

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-ninth day of June in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundredth.

GERALD R. FORD

NOTE: The full text of this proclamation is included as an example of the proclamations the President issued. All the proclamations issued by the President in 1976 are listed in Appendix B.

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Remarks Upon Accepting Japan's Bicentennial Gift to the United States. June 30, 1976

Prime Minister Miki, distinguished Japanese guests, ladies and gentlemen:

Let me express to you, Mr. Prime Minister, the deep gratitude of the American people for this very, very generous gift. It is yet another expression of the good relations that the American people have with the Japanese people, the excellent relations that your Government has with our Government.

This is a generous gift in money, but it is also a deeper expression of our relationship between our two peoples. As Mr. Stevens has said, this gift will permit the completion of the Kennedy Center. The Kennedy Center is the focal point in the United States for cultural development, cultural performances. And we, of course, are most anxious, as Mr. Stevens said, that when the studio center is completed that it will be possible to have the whole center display the tremendous cultural background and the terrific artistry that comes from the people of Japan.

Again, I thank you and I thank the people of Japan on behalf of the American people.

NOTE: The President spoke at 11:33 a.m. in the Rose Garden at the White House.

Participating in the presentation ceremony were Prime Minister Takeo Miki of Japan, Mitsunori Ueki, Japanese Minister of State, and Roger L.

Stevens, chairman of the board of trustees of the John F. Kennedy Center for the Performing Arts. Their remarks are printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1099).

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**Remarks at a Luncheon Honoring Prime Minister
Takeo Miki of Japan. *June 30, 1976***

MR. PRIME MINISTER, it gives me a great deal of pleasure to welcome you once again to Washington, and I am particularly pleased that you, as a long-standing friend of this country, can visit us during our Bicentennial Year.

When you were here last, slightly less than a year ago, our conversations reflected and strengthened the remarkably close relationship which had developed between our two countries.

In October of last year, we were all greatly honored to welcome Their Majesties, the Emperor and Empress of Japan for a state visit to the United States. That visit symbolized in a very important sense the maturing of American-Japanese relations and the full fruition of friendship and partnership that we have worked so very hard to establish.

When we met last August, Mr. Prime Minister, we pledged to work to maintain our close ties and to broaden them, extending our cooperative efforts toward the solution of international as well as bilateral problems. It is my judgment that those pledges have been honored.

In the past year, our two Governments have worked very closely to the mutual benefit of our people in bilateral relations that is as comprehensive and as important as any in the world between the United States and other governments. We have also consulted frequently, candidly, productively on the many pressing issues that confront the world at large.

Only 2 days ago, we met with our European and Canadian friends and colleagues in Puerto Rico. There, as at Rambouillet last November, very significant progress was made towards securing a more prosperous and a more stable economic order benefiting all of our nations. And there, as at Rambouillet, Japan's participation was absolutely indispensable.

Mr. Prime Minister, on behalf of the people of the United States, let me thank you and the people of Japan for your most thoughtful and generous gifts in honor of our Bicentennial celebration—a beautiful, new theater at the Kennedy Center for the Performing Arts here in Washington, D.C., and more than 2,000 lovely cherry trees to be planted in the cities of Seattle, San Francisco, and Los Angeles.

I might say, parenthetically, that after the check was given this morning by

the Prime Minister, or Mr. Ueki, we gave it to Roger Stevens.¹ And while I was thanking the Prime Minister and the Japanese people, Roger Stevens dropped it. [*Laughter*] Where is Roger? But nobody walked off with it, Roger.

Our relationship is remarkable for its ability not only to bridge the differences between our cultures but to strengthen those differences.

Mr. Prime Minister, our ties are blessed with a very vital dimension—each country's interest in and willingness to learn from the culture of the other. Japan's construction of a new theater in the Kennedy Center emphasizes the dynamic cultural interchange.

Last December, Mr. Prime Minister, you said it was your heartfelt hope that the cherry trees would be for generations to come a symbol of the ever-growing friendship, good will, and mutual confidence of the peoples of America and Japan. I share that hope, as do all Americans.

Finally, Mr. Prime Minister, on behalf of my fellow Americans, I wish to thank you and the people of Japan for the gracious message which you presented to me this morning extending your congratulations on our 200th birthday.

I know that in our third century, Mr. Prime Minister, Japan and America will draw closer and closer together and that our two nations will continue to exert a positive and constructive influence on the course of world events.

In a recent Bicentennial tribute, you said America became great and will continue to be great, not because we are made up of one race, one religion, or one culture, but because a diversity of people came to our shores to forge a lasting unity in a shared commitment to liberty, justice, and equity and equality. "The American experience," you said, "reinforces my faith in democracy." For that expression of faith, we are deeply grateful, and by your visit here we are deeply honored.

Ladies and gentlemen, I ask that you rise and join with me in a toast to the Prime Minister of Japan and to the warm and enduring friendship between Japan and the United States.

NOTE: The President spoke at 2:53 p.m. in the State Dining Room at the White House. Prime Minister Miki responded as follows:

Mr. President, ladies and gentlemen, you do me a great honor with this festive luncheon.

In just 4 days you will observe your 200th birthday as a nation. This is a cause for celebration throughout the world.

In Japan we are reminding ourselves how much our friendship with America has meant to us.

The United States has played a significant role throughout Japan's modern history, especially in the past three decades. In those years we have forged the broadest of friendly partnerships. Today we are the two largest industrial democracies on Earth, walking side by side toward a better world, free of war and want.

Japan's history would be very different if the United States had never declared its independence; so would the history of the rest of the world. That

¹ Mitsunori Ueki, Japanese Minister of State, and Roger L. Stevens, chairman of the board of trustees of the John F. Kennedy Center for the Performing Arts.

is what your Bicentennial means to the people of Japan. Because of America, democracy is there for many peoples and is a possible dream for the rest of mankind.

Permit me in that spirit to offer a toast to the

future, to the continuing good health of President Ford, to the deepening of the friendship between the Japanese and American peoples, and to the success of freedom in the world during the third century of the United States of America.

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Statement Announcing Establishment of the Presidential Committee on Urban Development and Neighborhood Revitalization. *June 30, 1976*

THE CITIES of this Nation and the neighborhoods which are their backbone today face increasingly difficult problems of decay and decline.

Our society is one of constant change and movement. This fact has both its positive and negative effects. The areas most likely to suffer from technological, demographic, and social change are our older cities.

In recent years rapid changes in communications, manufacturing, technology, transportation, and social expectation have combined to cause migration from older cities to the suburbs and to expanding areas in the South and West.

These developments have produced severe strains on older cities, forcing city governments to cope with the potentially devastating pressures of a stagnant or declining economic base coupled with a growing need for services which are becoming more and more expensive. For some time my administration has been examining these problems, and I have proposed major program consolidations in health, education, and social services.

Some 8 weeks ago I had the pleasure of meeting with representatives of many ethnic organizations that have been holding periodic gatherings here at the White House. In my remarks that day I asked those leaders if they would tell us what they think needs to be done to bring new life and vitality to our urban neighborhood. Their number one recommendation was that we should set up a task force within the Government to review all major Federal programs that have an impact upon urban and neighborhood life.

Today I am pleased to announce that I am appointing a Cabinet-level task force to carry out that mission. This new Presidential Committee on Urban Development and Neighborhood Revitalization will be chaired by the Secretary of Housing and Urban Development, Carla Hills.

Yesterday afternoon I met with Secretary Hills and other members of the committee and asked them to begin an immediate review of current Federal

programs which have an impact upon cities and their neighborhoods. They are to seek the perspectives of local officials and neighborhood groups on Federal programs which affect them and to develop recommendations for improvements in Federal policies and programs.

In setting up this committee, my premise is that many Federal programs now on the books are worthwhile and should be continued, especially those which encourage local initiative and local leadership. It is particularly urgent that the Congress act soon to reenact the General Revenue Sharing Program.

At the same time it is clear that the Federal Government must find better ways to coordinate its many programs, that some programs should be consolidated, and that still other programs should be phased out altogether. The commitment to serving our cities and urban neighborhoods need not require massive new funding programs; a great deal of Federal money is currently being spent. What is clearly required is that we make better use of resources that are already available.

In my discussions with ethnic leaders, I have also been impressed that the Federal Government can do more to encourage a greater sense of community, a sense of belonging within our urban centers. In this Bicentennial Year it is especially important that we seek to enhance the value of family, of community, and of cultural diversity that have been the strength and richness of America for many years.

The Presidential Committee I have appointed will perform a great service for the country by helping to revitalize urban and neighborhood life in America.

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Memorandum Establishing the President's Committee on Urban Development and Neighborhood Revitalization.

June 30, 1976

Memorandum for the Secretary of the Treasury, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Director, Office of Management and Budget, the Administrator, Small Business Administration, the Director, Community Services Administration, the Executive Director, Domestic Council, the Assistant to the President for

Public Liaison, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board

Subject: President's Committee on Urban Development and Neighborhood Revitalization

I am today establishing a Committee on Urban Development and Neighborhood Revitalization to examine urban problems and to make recommendations to improve current Federal programs in order to revitalize urban and neighborhood areas. The Committee will study the problems both from a broad Federal policy perspective and from the perspective of those who live in urban neighborhoods. Specifically, the Committee will be responsible for:

1. Conducting a comprehensive review of all major Federal programs which have an impact on the cities and their neighborhoods and reporting results to the President;
2. Seeking the perspectives of local officials and neighborhood groups on Federal programs which affect them;
3. Developing recommendations to the President and the Congress for changes in Federal policies and programs affecting cities and their neighborhoods in order to place maximum decision-making responsibility at the local level, to remove legal and administrative obstacles to exercise this authority, and to provide for better coordination and delivery of Federal programs.

The Committee will be chaired by the Secretary of Housing and Urban Development, and include the Secretary of the Treasury, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Transportation, the Director of Office of Management and Budget, the Administrator of the Small Business Administration, the Director of Community Services Administration, the Executive Director of the Domestic Council, the Assistant to the President for Public Liaison; and, by invitation, the Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the Federal Home Loan Bank Board.

GERALD R. FORD

628

Remarks Upon Signing an Income Tax Reduction Extension Bill. June 30, 1976

I AM signing today a bill which will prevent your withholding taxes from going up tomorrow. Last October, I asked the Congress to reduce Federal in-

come taxes by an additional \$10 billion, which would represent a tax saving of more than \$225 for a family of four earning \$15,000 a year. I also asked the Congress to restrain the growth of Federal spending, an essential step toward balancing the Federal budget.

Now, 9 months later, the response from Congress is typical of their repeated failure to face the issues. The Congress, after waiting until the last possible day, has enacted a 2-month freeze of withholding rates rather than cutting taxes another \$10 billion, as I requested.

Furthermore, the Democratic majority has adopted a spending ceiling for the next fiscal year that exceeds my recommendations by \$17 billion. These actions by the Democratic Congress are wrong for the people and wrong for our economy.

My proposals would ensure greater prosperity and more and better jobs without inflation. We need greater tax cuts and less Federal spending. The American people should have more control over what they earn rather than the Government constantly dipping further into their pocketbook.

I will continue to press the Congress to enact the comprehensive program of tax and spending reductions that I proposed last October, and I urge all Americans to join me in that effort.

Thank you very much.

NOTE: The President spoke at 6:38 p.m. at a ceremony in the Oval Office at the White House.

As enacted, the bill (H.R. 10051), is Public Law 94-331 (90 Stat. 781).

629

Statement on Signing the Foreign Assistance and Related Programs Appropriations Act, 1976. *July 1, 1976*

I HAVE signed H.R. 12203, the Foreign Assistance and Related Programs Appropriations Act, 1976, and the period ending September 30, 1976. The bill appropriates funds for a variety of programs in support of U.S. foreign policy objectives, most importantly our pursuit of a peaceful solution to the problems of the Middle East.

Nevertheless, I have serious reservations regarding one element of the bill and believe it is necessary to comment on why I have signed the bill, notwithstanding my objections to it.

Title I of the bill contains a provision which conditions the availability of appropriated funds, in certain instances, upon the acquiescence of the Appropria-

tions Committees of each House of Congress. This requirement violates the fundamental constitutional doctrine of separation of powers. While similar provisions have been included in congressional enactments, and have been found objectionable on these grounds, this particular requirement is especially onerous in that it intrudes upon the execution of programs in 19 different appropriation categories.

Since I view this provision as severable from what is an otherwise valid exercise of legislative authority, and because it is presented for my signature in the last week of the fiscal year, I am not withholding my approval. We shall continue to work with the Appropriations Committees, as with all committees of the Congress, in a spirit of cooperation. We shall continue to keep the Congress fully informed on a current basis on the execution of the laws. However, we shall not concur in a delegation of the powers of appropriation to two committees of Congress.

NOTE: As enacted, H.R. 12203, approved June 30, 1976, is Public Law 94-330 (90 Stat. 771).

630

Statement on Signing the International Security Assistance and Arms Export Control Act of 1976. *July 1, 1976*

I HAVE signed into law H.R. 13680, the International Security Assistance and Arms Export Control Act of 1976. This measure authorizes appropriations to carry out security assistance and other programs in the fiscal years 1976 and 1977 and makes extensive changes in the methods, organization, and procedures through which those programs are carried out.

On May 7, 1976, I returned to the Congress without my approval S. 2662, the predecessor of the bill which I am signing today. I did so because that bill contained numerous provisions which would have seriously undermined the constitutional responsibility of the President for the conduct of the foreign affairs of the United States. That bill embodied a variety of restrictions that would have seriously inhibited my ability to implement a coherent and consistent foreign policy and some which raised fundamental constitutional difficulties as well.

The present bill, H.R. 13680, imposes new requirements, restrictions, and limitations on the implementation of security assistance programs. Many of these new requirements are based on congressional desires to increase the flow of information regarding the scope and direction of security assistance programs

worldwide. Others impose new substantive restrictions reflecting new policies or policies not heretofore expressed in law.

Most of the unacceptable features of the earlier bill have either been dropped from H.R. 13680 or have been modified into an acceptable form. I am pleased to note, for example, that this bill does not attempt to impose an arbitrary and unwieldy annual ceiling on the aggregate value of Government and commercial arms sales, a ceiling which would have served to hinder, rather than foster, our efforts to seek multilateral restraints on the proliferation of conventional weaponry, and which could have prevented us from meeting the legitimate security needs of our allies and other friendly countries. In addition, the provisions on discrimination and on human rights in this bill go far toward recognizing that diplomatic efforts, rather than absolute statutory sanctions, are the most effective way in which this country can seek further progress abroad in these areas of deep concern to all Americans, and that the executive branch must have adequate flexibility to make these efforts bear fruit.

I am especially pleased to note that with one exception the constitutionally objectionable features of S. 2662, whereby authority conferred on the President by law could be rescinded by the adoption of a concurrent resolution by the Congress, have all been deleted from H.R. 13680.

The manifest incompatibility of such provisions with the express requirements of the Constitution that legislative measures having the force and effect of law be presented to the President for approval and, if disapproved, be passed by the requisite two-thirds majority of both Houses was perhaps the single most serious defect of the previous bill and one which went well beyond security assistance and foreign affairs in its implications. Moreover, such provisions would have purported to involve the Congress in the performance of day-to-day executive functions in derogation of the principle of separation of powers, resulting in the erosion of the fundamental constitutional distinction between the role of the Congress in enacting legislation and the role of the executive in carrying it out.

The one exception to this laudable action is the retention in H.R. 13680 of the "legislative veto" provision regarding major governmental sales of military equipment and services. This is not a new provision, but has been in the law since 1974. To date, no concurrent resolution of disapproval under section 36(b) has been adopted, and the constitutional question has not been raised directly. Although I am accepting H.R. 13680 with this provision included, I reserve my position on its constitutionality if the provision should ever become operative.

In my message of May 7, I expressed my serious concern that the termination

of military assistance and military assistance advisory groups after fiscal year 1977 would result in a serious impact upon our relations with other nations whose security is important to our own security and who are not yet able to bear the entire burden of their defense requirements. That concern remains. H.R. 13680 retains language recognizing that it may be necessary and desirable to maintain military assistance programs and military assistance advisory groups in specific countries even after September 30, 1977. Accordingly, this bill will not deter the executive branch from seeking at the appropriate time the necessary authority for the continuation of such programs as the national interest of the United States may require.

H.R. 13680 will require that many changes be made in present practices and policies regarding the implementation of security assistance programs. Some of these new requirements I welcome as distinct improvements over existing law. There are others for which the desirability and need is less clear. Nevertheless, I shall endeavor to carry out the provisions of this bill in a manner which will give effect to the intent of the Congress in enacting them. As time goes by and experience is gained, both the executive and the Congress will come to know which of the provisions of this bill will be effective and workable, and which others require modification or repeal.

This bill recognizes that security assistance has been and remains a most important instrument of United States foreign policy. My approval of H.R. 13680 will enable us to go forward with important programs in the Middle East, in Africa, and elsewhere in the world aimed at achieving our goal of international peace and stability.

NOTE: As enacted, H.R. 13680, approved June 30, 1976, is Public Law 94-329 (90 Stat. 729).

631

Remarks at Dedication Ceremonies for the National Air and Space Museum. July 1, 1976

Mr. Chief Justice, Mr. Vice President, distinguished Members of Congress, Secretary Ripley, distinguished guests, ladies and gentlemen:

This beautiful new museum and its exciting exhibits of the mastery of air and space is a perfect birthday present from the American people to themselves. Although it is almost impolite to boast, perhaps we can say with patriotic pride that the flying machines we see here, from the Wright brothers' 12-horsepower bi-plane to the latest space vehicle, were mostly "Made in U.S.A."

The story of powered flight is an American saga. The wonder is that it has all happened within the lifetime and the memory of living Americans. How many of us remember vividly the thrill of the first take-off? How many recall the first news of Lindbergh's safe landing in Paris? How many saw man's first giant step that planted the American flag on the Moon?

At this moment an unmanned Viking spacecraft is circling the planet Mars. It has only been 80 years since the Smithsonian's Samuel Langley launched his unmanned "aerodrome" for a half-mile flight before it plunged into the Potomac.

The amazing American achievements in air and space tell us something even more important about ourselves on Earth. The hallmark of the American adventure has been a willingness—even an eagerness—to reach for the unknown.

For three and a half centuries, Americans and their ancestors have been explorers and inventors, pilgrims and pioneers, always searching for something new—across the oceans, across the continent, across the solar system, across the frontiers of science, beyond the boundaries of the human mind.

Confined within these walls and windows are the products of American men and women whose imagination and determination could not be confined. There is nothing more American than saying, "If you don't succeed, try, try again." Nor could Americans be confined to the Atlantic seaboard. The wide open spaces have lured Americans from our beginnings. The frontier shaped and molded our society and our people.

Gertrude Stein once wrote, "In the United States there is more space where nobody is than where anybody is." This is what makes America what it is. Indeed, the impact of the unknown, of what was dimly perceived to be "out there," has left a permanent mark on the American character.

In the early 17th century, a few fragile vessels—like the *Discovery* in 1607 and the *Mayflower* in 1620—sailed across 3,000 miles of unfriendly sea. Their passengers and crew knew far less about their destination than the American astronauts knew at lift-off about the lunar landscape, a quarter million miles away.

The pilgrims feared the perils of the voyage and the misery of the unfamiliar land. But the sentiments that sustained them were recorded by Governor William Bradford ". . . that all great and honorable actions are accompanied with great difficulties, and must be both enterprised and overcome with answerable courage. . . ." Behind them lay the mighty ocean, separating them from the world they knew, and before them lay an untamed wilderness.

Three and a half centuries later, that wilderness has been transformed. A continent once remote and isolated now supports a mighty nation, a nation built

by those who also dared to reach for the unknown. The discovery of this continent was unprecedented. It opened the eyes of mankind, showing them the world was bigger than they had thought.

Our Nation's birth was unprecedented as well. A new form of government was begun which would allow for change by future generations, yet secure basic rights to men and women. The chance to earn property was given to those who had never had property, education to those who had never been educated.

In the New World, Americans had to be handy. Ours was a do-it-yourself society. Our fascination with machines to lighten labor and increase production began very early. The practical problems of engineering and science required education. The hard life attracted few learned scholars from Europe. Sometimes Americans built their schools before their own rough cabins.

By the time of the Revolution, there were more colleges and universities in America than in the British Isles. The men who wrote our Declaration of Independence were probably the best educated rebels and revolutionaries history had ever seen. When independence was won, the growth of free public education in the United States amazed the world and quickened our pace in science and technology.

Our Constitution specifically gave Congress power to promote science and useful arts by rewarding inventors and authors with patents and copyrights. While some governments are always fearful of what individuals may write or discover, ours has always encouraged free inquiry, with results that speak for themselves.

It was just a century ago, at Philadelphia's Centennial Exposition in 1876, that Alexander Graham Bell first publicly demonstrated his telephone. Today, millions around the world can see and hear the highlights of history as they are happening. Each new discovery, the result of each experiment, humbles us by the dimension of the unknown. Our progress can be measured not only by the extent of our knowledge but by increasing awareness of all that remains to be discovered.

To keep reaching into the unknown, we must remain free. We must have freedom to find and freedom to fail. Like our ancestors, we are always at the edge of the unknown.

In the next 100 years, the American spirit of adventure can find out even more about the forces of nature, how to harness them, preserve them; explore the great riches of the oceans, still an uncharted frontier; turn space into a partner for controlling pollution and instant communication to every corner of the world; learn how to make our energy resources renewable and draw new

energy from Sun and Earth; develop new agricultural technologies so all the deserts of the Earth can bloom; conquer many more of humanity's deadly enemies, such as cancer and heart disease.

As Thoreau reminded us, long before the age of air and space, "The frontiers are not east or west, north or south, but wherever man fronts a fact." The American adventure is driven forward by challenge, competition, and creativity. It demands of us sweat and sacrifice and gives us substance and satisfaction. Our country must never cease to be a place where men and women try the untried, test the impossible, and take uncertain paths unto the unknown.

Our Bicentennial commemorates the beginning of such a quest, a daring attempt to build a new order in which free people govern themselves and fulfill their individual destinies. But the best of the American adventure lies ahead.

Thomas Jefferson said, "I like to dream of the future better than the history of the past." So did his friendly rival, John Adams, who wrote of his dream, ". . . to see rising in America an empire of liberty, and a prospect of two or three hundred millions of freemen, without one noble or one king among them. You say it is impossible. If I should agree with you in this, I would still say—let us try the experiment." I can only add—let the experiment continue.

Thank you.

NOTE: The President spoke at 11:13 a.m. at the National Air and Space Museum. In his opening remarks, he referred to S. Dillon Ripley, Secretary

of the Smithsonian Institution.

Prior to his remarks, the President toured the museum, which is part of the Smithsonian Institution.

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Remarks at the Centennial Safe Opening at the Capitol.

July 1, 1976

Thank you very much, Senator Mike Mansfield, Mr. Speaker, Senator Scott, Senator Brooke, Congresswoman Boggs, distinguished Members of the House and Senate, ladies and gentlemen:

Obviously, I am deeply honored to have the opportunity this afternoon to open this historic Centennial safe. It contains many items of interest to us today as we celebrate the completion of our second century. But it symbolizes much more than a valuable collection of mementos, it symbolizes something about the United States of America that is so mighty and so inspiring that it cannot be locked up in a safe—I mean the American spirit.

When this safe was sealed, Americans looked forward to the future, to this

year of 1976. There was no doubt in their minds that a President of a free government would participate in a ceremony here in the United States Capitol Building.

Just as American men and women 200 years ago looked to the future, those who sealed this safe 100 years ago also looked to the future. So it is today with Americans. But there is no safe big enough to contain the hopes, the energies, the abilities of our people. Our real national treasure does not have to be kept under lock and key in a safe or in a vault. America's wealth is not in material objects, but in our great heritage, our freedom, and our belief in ourselves.

A century ago the population of the United States numbered over 40 million; today we have more than five times as many. But the growth of our population has not lessened our devotion to the principles that inspired Americans in 1776 or 1876.

In 1876 our immense wealth, both natural and inventive, commanded world-wide attention. We grew from coast to coast in greater industrial and agricultural development than humanity had ever known. In 1876 America was still emerging from a terrible fraternal war. A lesser people might have been unequal to the challenge, but 1976 finds the confidence of 1876 confirmed.

Today there is far greater equality of opportunity, liberty, and justice for all of our citizens in every corner of America. There is rising prosperity for our Nation and peace and progress for our people.

We look back to the evening of July 4, 1776. It was then, after the adoption of the Declaration of Independence, that the Continental Congress resolved that Franklin, Adams, and Jefferson begin work on a seal as a national symbol. We are all familiar with the front part of that great seal. But the reverse side, which also appears on every dollar bill, is especially instructive. It depicts a pyramid which is not completed and a single eye gazing out radiantly. The unfinished pyramid represents the work that remains for Americans to do. The Latin motto below is freely translated: "God has favored our undertaking." Two hundred years later, we know God has.

Though we may differ, as Americans have throughout the past, we share a common purpose: It is the achievement of a future in keeping with our glorious past. The American Republic provides for continued growth through a convergence of views and interests, but that growth must be spiritual as well as material.

As we look inside this safe, let us look inside ourselves. Let us look into our hearts and into our hopes.

On Sunday we start a new century, a century of the individual. We have given

meaning to our life as a nation. Let us now welcome a century in which we give new meaning to our lives as individuals. Let us look inside ourselves to unleash the God-given treasures stored within. And let us look outside ourselves to the needs of our families, our friends, our communities, our Nation, and our moral and spiritual consciousness.

Thank you very much.

NOTE: The President spoke at 12:13 p.m. in Statuary Hall at the Capitol. In his opening remarks, he referred to Senators Mike Mansfield of Montana,

Hugh Scott of Pennsylvania, and Edward W. Brooke of Massachusetts, and Representative Lindy (Mrs. Hale) Boggs of Louisiana.

633

Special Message to the Congress on a Proposed Appropriations Rescission for the Office of Drug Abuse Policy. July 1, 1976

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of \$250,000 provided in the Second Supplemental Appropriations Act, 1976, for establishment of the Office of Drug Abuse Policy (ODAP) in the Executive Office of the President. When I signed into law P.L. 94-237, the "Drug Abuse Office and Treatment Act Amendments of 1976" which extended necessary appropriation authorizations for Federal drug abuse prevention and treatment programs, I expressed my opposition to establishing ODAP. I stated that "I thoroughly agree with the position of the Congress on the importance of a well coordinated Federal drug abuse program. I have consistently held, however, that such coordination can best be carried out by existing departments and agencies, without an additional agency for that purpose." Accordingly, I am recommending to the Congress that it rescind the \$250,000 appropriated for ODAP.

This new Office is a relatively minor item in terms of dollars and staff size. The Director of ODAP is to "make recommendations to the President with respect to . . . drug abuse functions and . . . (to) coordinate the performance of such functions by Federal departments and agencies." ODAP represents an unnecessary expense for the taxpayer and adds to the Federal bureaucracy. Furthermore, I believe the establishment of this Office is an encroachment on my responsibilities as Chief Executive to organize the Executive Office of the President to carry out, as effectively as possible, the programs and laws which are established by Congress.

Since I have taken office, it has been my consistent objective to place the

responsibility for governmental action with the Cabinet officers and their respective agencies. The Office of Drug Abuse Policy flies in the face of this objective, and adds to the bureaucracy a redundant layer that will have no direct management responsibilities. The drug abuse area—including treatment, enforcement, and international narcotics control—already has the necessary coordinating mechanisms and resources to accomplish its objectives. Likewise, I already have Cabinet officers, agency heads, and others to provide me advice on drug abuse matters. I do not need another Office with two officials with salaries of \$42,000 (ODAP Director) and \$39,900 (ODAP Deputy Director) to duplicate their work. Lastly, the annual preparation of the budget provides an effective process for identification and resolution of Executive Branch policy issues.

The attached chart displays the following coordinating mechanisms that already exist for Federal drug abuse treatment, law enforcement, and international activities:

- Domestic Council
- Drug Abuse Cabinet Committees
- National Security Council
- Office of Management and Budget

The Cabinet Committees will assure that various Federal agencies' efforts are integrated into an effective overall program but will keep responsibility for specific program management with the appropriate agencies. The Congressional committees can call upon the heads of the Cabinet Committees or agencies with drug abuse responsibilities to testify concerning my Administration's policies whenever there is a need. I see no need for one more drug abuse spokesperson.

Administration Drug Abuse Initiatives to Date. During my Administration, the following initiatives have been taken demonstrating the priority I have placed on drug abuse:

- I launched a complete review of Federal drug abuse policies, and then endorsed the resultant *White Paper on Drug Abuse*.
- I have requested funding for fiscal year 1977 totaling over \$780 million for Federal drug abuse programs to maintain existing programs and to implement the major recommendations of the *White Paper*, e.g., additional community treatment capacity and better targeting of law enforcement efforts at high level traffickers.
- I have met with the heads of the governments of Turkey, Mexico and Colombia to strengthen and improve our international drug abuse efforts.

July 1

Gerald R. Ford, 1976

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—I transmitted a drug abuse message to the Congress on April 27, 1976,¹ which included, among others, proposals for strengthening law enforcement efforts.

—The Cabinet officers have placed priority attention on strengthening their drug abuse organizations.

Future Actions. My Administration plans to strengthen its efforts against the drug abuse problem.

—The Cabinet Committee for Drug Law Enforcement has held its first meeting and the Cabinet Committee on Drug Abuse Prevention, Treatment, and Rehabilitation will be fully operational within a month. The Office of Management and Budget and the agencies involved will provide the necessary support to the Cabinet Committees.

—Over the next month, Cabinet officers will contact the Congressional committees with drug abuse responsibilities to discuss the agenda from the Cabinet Committees.

—The agencies affected by the recommendations of the *White Paper* will provide me with a full status report when they submit their budget requests for fiscal year 1978 this September.

In summary, the Office of Drug Abuse Policy is an example of unnecessary growth in the Federal bureaucracy, and should not be established. It is the responsibility of public officials to guard against the unwarranted or inefficient use of public funds. I am, therefore, asking that the Congress rescind the funds for the Office of Drug Abuse Policy.

The details of the proposed rescission are contained in the attached report.

GERALD R. FORD

The White House,
July 1, 1976.

NOTE: The attachment detailing the rescission, together with the chart to which the President re-

ferred, is printed in the Federal Register of July 7, 1976 (41 FR 28150).

¹ See Item 368.

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Remarks Upon Receiving the Report of the National Commission on the Observance of International Women's Year, 1976. July 1, 1976

Thank you very much, Jill, Betty, and Senator Chuck Percy, and other Members of Congress, and other members of this group:

It's wonderful to be here, and let me thank all of the members of the Commission for the job you have done in identifying the barriers which block women's full participation in our national life.

At this point, let me express Betty's absence—I know all of you know how strongly she feels about ERA. She said to me, "You send me out to all of the tough places to make speeches. Maybe I can ask you to come down and speak to a group that is sympathetic to my viewpoint." And I said, "Well, I am sympathetic to their viewpoint." So, she has been working so hard on the campaign trail that she just asked your indulgence in understanding why she isn't here this afternoon.

I do want to thank others who have contributed to this report, many who are here and many who are not. And you have my full assurance that your report will be taken with great care, the same care that you have taken in the preparation of it.

Jill, I regret that you won't be able to continue as presiding officer of the Commission, but I am pleased that we will still have the benefit of your talents as a member of the Commission.

ANNOUNCEMENT OF APPOINTMENT OF PRESIDING OFFICER

This afternoon, it is my privilege to announce the appointment of Betty Athanasakos as the new presiding officer. Many of you know that Betty is a practicing lawyer and a former municipal judge. She served as Chairperson of the HEW Advisory Committee on the Rights and Responsibilities of Women, and as a member of the President's Task Force for Women's Rights and Responsibilities.

Betty will be ably assisted by Ersu Poston as vice presiding officer. Ersu is the past president of the New York State Civil Service Commission.

Today, the Commission enters a new phase. You are now charged with the planning and convening of 56 State and territorial conferences and the National Women's Conference itself.

To those Commission members who are unable to continue serving—and I know there are some—let me add a personal note of thanks for the job you have done. You can be extremely proud of what you have accomplished and confident that your work will be carried on in the same spirit of dedication by the new members whose appointments we announced this morning.

The work of the Commission is not just for women, but for the whole United States. Because this Nation is founded on the principle that all citizens share the same rights, what affects the rights of one affects the freedoms of all.

The job before us, in which you will play such a vital and important part, is to bring our national life into harmony with our national philosophy. This is an awesome task. It is a difficult problem. But we faced such tasks before and I think we can win.

America faced such a task one century ago. We had to eliminate the shameful contradiction between our political philosophy—which proclaimed all persons equal—and our national daily life, in which 4 million men and women were slaves. Many of America's early crusaders for women's rights were active in the abolitionist movement. It was there they learned to organize, speak out in public, and to develop a philosophy of their own basic rights.

It is a bitter irony of American history that when the 15th amendment was passed in 1870, at long last giving the vote to black men, it did not enfranchise women, either black or white. That was to wait another 50 years.

More than half a century after women's suffrage became law, much still remains to be done. And all of you are more authoritative than myself on that point. Not just compassion, but justice and logic dictate that we remove the inequities that still exist.

We must remove these injustices suffered by those like Mrs. Mary Heath, who is here with us today. For 33 years, I am told, she worked with her husband, side-by-side, building a Nebraska ranch to pass on to their children. In 1974, her husband passed away, and Mrs. Heath learned that she might have to sell that ranch to pay off the estate tax. If she had died first, her husband would not have been faced with such a painful choice. But according to tax law, her years of work counted for nothing. Unless she could prove she had contributed money to purchase or improve the ranch, for tax purposes she was no better than a stranger on her own land.

This problem is not unique to American farm women. It is nothing more or less than a widow's tax, and it is nothing more or less than a gross injustice. Last March, I proposed legislation to eliminate that injustice, legislation that still

awaits action on Capitol Hill. That proposal was part of my suggested efforts across a wide front.

Since becoming President, I have supported and signed into law, legislation prohibiting sex discrimination in housing, credit and education. Some of the laws discriminating against women appear petty or even ridiculous. But the fact is, they are all equally unjust, all equally demeaning to Americans, and all equally inconsistent with the American philosophy of equality.

There are different ways to approach this problem. One would be to await the ratification of the equal rights amendment. As you know, and as Jill has said, I have long favored, voted for ERA, and I hope to see it a part of our Constitution before too long.

But injustice cannot await upon politics, nor upon the lengthy public discussion which has already delayed ratification of this constitutional amendment. The time to act is now. Therefore, I have today directed the Attorney General to develop, in consultation with other affected Federal agencies, a plan to review the entire United States Code. The purpose will be to determine the need for revising sex-based provisions that are not justified in law nor supported by wise policy.

And I encourage the Governors of all the States to initiate a similar review of all State laws to bring them into harmony with our American philosophy of absolute equality under the law.

Many outdated laws and statutes have already been identified and many of you here today have taken part in that effort. I'm sure you will agree that the time has come for a massive Federal effort in this particular area. I'm also confident that the State conferences to be held by your Commission will help in this process.

Another problem I would suggest for your attention at these respective conferences is the widening earnings gap between men and women. This has extremely serious implications not just for the women being denied the wages they deserve, but for the entire American economy. It's a problem we will address in the immediate future, a matter of priority for this administration.

The administration is firmly committed to legal and economic justice for women. I speak now not only as President but also as a husband and father. I prize the individuality and independence of two women in my family, and I think their record is pretty clear in both resolves. Even if I wanted it differently, it wouldn't be. [*Laughter*] I am proud that Betty has become a leader in her own right, and I want to ensure that our daughter, Susan, will have the same free-

dom of choice and opportunity as her two brothers—her three brothers—Mike, Jack, and Steve. [*Laughter*] One of them is married and, you know, they don't have quite the same—[*laughter*]—

Now, as the United States enters its third century, we can all ill-afford to disregard the rights or neglect the strengths and talents of one-half of our population. There is no such thing as women's rights. There are only the rights of all Americans to life, liberty, and the pursuit of happiness. Women's rights should not be granted as an act of charity, for those rights are theirs already. By eliminating the barriers to freedom, we are doing no more than fulfilling a promise made in Philadelphia 200 years ago.

I thank you for your help. I thank you for the great job you have done. And I commend you for what you will do in the months ahead.

Now, let me indicate to you that we are going to have a little reception over here on the South Lawn. And also, Betty has indicated that I should extend to all of you an opportunity to see the ground floor as well as the state floor after you have wandered around and enjoyed yourselves out at the reception.

Thank you very, very much.

NOTE: The President spoke at 3:50 p.m. at a reception in the East Garden at the White House. In his opening remarks, he referred to Jill Ruckelshaus, outgoing presiding officer, and Senator Charles H. Percy of Illinois.

The report is entitled "' . . . To Form a More Perfect Union . . .', Justice for American Women—Report of the National Commission for the Observance of International Women's Year, 1976" (Government Printing Office, 382 pp.).

635

Statement on the Removal of Certain Oil Price Controls.

July 1, 1976

TODAY we are taking another important step forward in removing unnecessary Federal regulations and controls. Allocation and price controls on heating oil, diesel fuel, and kerosene are being terminated. These controls have limited competition, worked against the best interests of consumers, and hurt small business.

The proposals to remove the controls were submitted to the Congress on June 15, 1976, and yesterday both the House and the Senate allowed the proposals to go into effect.

The Federal Energy Administration has concluded that supplies of middle distillate petroleum products are fully adequate to meet expected needs, and that there should be no price increase as a result of removing the controls.

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Remarks Upon Accepting Norway's Bicentennial Gift to the United States. July 2, 1976

IT IS a great privilege and pleasure for me to welcome the Royal Highnesses to the White House and to the East Garden, and we are deeply grateful as a nation for their thoughtfulness and generous gift on behalf of our Bicentennial.

I think it is very typical of the feelings that the Norwegian people have. It is my understanding that this idea for this gift for this purpose came from a health center that is in Norway, and to give it to a health center for the purpose of helping the handicapped is a wonderful expression of not only generosity but thoughtfulness from those who are healthy to those who are less fortunate.

So, we are extremely grateful, Your Royal Highness, for this kindness on behalf of the American people at the time of the celebration of our 200th anniversary.

It has been a pleasure to chat with you and to know that we have some mutual interests. They do it much better than I. They are much younger—when we are talking about skiing—but Hubert¹ is a good skier. [*Laughter*]

I do want you to know that the American people, 215 million strong, Your Royal Highness, are deeply grateful for the gift. And will you express to His Majesty King Olav, and to the Prime Minister and to the people of Norway our gratitude and appreciation for what will be a most worthwhile and very, very effective gift for those who are handicapped in America.

Thank you very, very much.

CROWN PRINCE HARALD. *Mr. President, Your Excellencies, ladies and gentlemen:*

The Crown Princess and I consider it a great honor and indeed a privilege to be here in the White House to represent our country at this historic time when even a Viking is circling Mars in preparation for a touchdown. [*Laughter*]

Now, my countrymen have for centuries had an urge to explore, and in the era of Vikings, 1,000 years ago, their adventurous spirit led them to this country, where they discovered what they named Vinland. Some centuries later, though, your great Republic was founded by other explorers and settlers from the Old World.

A great part of the Norwegian people emigrated to this country and helped to

¹ Senator Hubert H. Humphrey of Minnesota.

build her greatness on the principles which were made the political cornerstones of our government 200 years ago—freedom and human dignity.

Throughout the years since then, the contacts between our two countries have been numerous and the benefit has been mutual. We fought together in World War II, and the help which the American people gave my country after victory was achieved remains a vital element in our relationship. I personally had the privilege as a young boy to stay in your country during the war years and went to school here in Washington, D.C. For the last quarter of a century, we have been allies in NATO.

As you celebrate your Bicentennial it is, therefore, only natural that we should offer a token of our esteem. To this end, the Norwegian Government and Parliament have decided to make a contribution of \$200,000 to the establishment of a health sports center in the State of Minnesota called the Vinland National Center.

In Norway, we have gained valuable experience in developing sports and other recreational facilities aimed at bringing increased enjoyment of life, strengthened health, and improved possibilities for physical training and medical rehabilitation for handicapped people to further integration in our society.

Some of the encouraging results achieved at the Norwegian Health Sports Center at Beitostølen were demonstrated to the American public through the arrangement in the winter of 1975 and 1976 of cross-country skiing races for blind and other handicapped people in the State of Colorado and the State of Minnesota, respectively.

It gives me great pleasure to present an address, Mr. President, describing our Bicentennial gift, signed by the Prime Minister of Norway on behalf of the Norwegian people.

THE PRESIDENT. Your Royal Highness, I say again, the American people are deeply grateful, and this is a fine contribution for our Bicentennial. But may I say the Norwegian people over the years have made a great contribution to not only Minnesota but to the 50 States of our country.

It is my understanding that some 800,000 Norwegians over a period of time came to the United States, and their contributions as American citizens have been invaluable as we have made headway and progress in this country.

So, I thank you for not only their contribution but for this thoughtful gift, and the American people are deeply appreciative.

NOTE: The President spoke at 11:27 a.m. in the East Garden at the White House.

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Remarks Upon Accepting a Gift from the Church of Jesus Christ of Latter-day Saints. July 2, 1976

THANK YOU very, very much, President Kimball. I am deeply grateful, as is Mrs. Ford, for this very thoughtful and symbolic gift.

Mrs. Ford and I have had a great opportunity during our lifetime to spend some time in Utah, and it is a privilege to meet with you again. We are very familiar with the concepts and the beliefs of your church and your many people that are so devoted and so dedicated to the Christian sacrifice and the American adventure.

I think this statue, which I understand is a replica of one that is in Salt Lake, is symbolic of the many, many people who crossed this continent and came to a very difficult land and through their individual work and collective efforts turned Utah into a garden spot of the United States and, in fact, the world; not only a garden spot in what we see in material things but a real home for the family and for the kind of ideals and the kinds of principles that are good for America.

So, Mrs. Ford and I will treasure this thoughtful gift. It will bring back the many fine memories we have of our association with people from your church and the many fine associations we have had with those who are so dedicated as you and the others are. We thank you, and we wish you the very best.

I am delighted to see all these wonderful young children—a few older people in the background there—but these young people are really the hope and the thing we all look forward to, to work for, to make it a better America for you.

But then we expect all of you to make it a better America for those that follow you. And we have great faith in each and every one of you. And we know you will do your job, be good young boys and girls so that you can contribute to America and make it a better place for everybody.

Thank you very, very much, President Kimball.

NOTE: The President spoke at 12:03 p.m. on the South Grounds at the White House. Spencer W. Kimball, president of the Church of Jesus Christ of Latter-day Saints, presented the President with

a statuette of a man, woman, and child.

Mr. Kimball's remarks are printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1113).

638

Veto of the Military Construction Bill. July 2, 1976*To the House of Representatives:*

I am returning herewith without my approval H.R. 12384, a bill "To authorize certain construction at military installations and for other purposes."

I regret that I must take this action because the bill is generally acceptable, providing a comprehensive construction program for fiscal year 1977 keyed to recognized military requirements. One provision, however, is highly objectionable, thus precluding my approval of the measure.

Section 612 of the bill would prohibit certain base closures or the reduction of civilian personnel at certain military installations unless the proposed action is reported to Congress and a period of nine months elapses during which time the military department concerned would be required to identify the full range of environmental impacts of the proposed action, as required by the National Environmental Policy Act (NEPA). Subsequently, the final decision to close or significantly reduce an installation covered under the bill would have to be reported to the Armed Services Committees of the Congress together with a detailed justification for such decision. No action could be taken to implement the decision until the expiration of at least ninety days following submission of the detailed justification to the appropriate committees. The bill provides a limited Presidential waiver of the requirements of section 612 for reasons of military emergency or national security.

This provision is also unacceptable from the standpoint of sound Government policy. It would substitute an arbitrary time limit and set of requirements for the current procedures whereby base closures and reductions are effected, procedures which include compliance with NEPA and adequately take into account all other relevant considerations, and afford extensive opportunity for public and congressional involvement. By imposing unnecessary delays in base closures and reductions, the bill's requirements would generate a budgetary drain on the defense dollar which should be used to strengthen our military capabilities.

Moreover, section 612 raises serious questions by its attempt to limit my powers over military bases. The President must be able, if the need arises, to change or reduce the mission at any military installation if and when that becomes necessary.

The Department of Defense has undertaken over 2,700 actions to reduce,

realign, and close military installations and activities since 1969. These actions have enabled us to sustain the combat capability of our armed forces while reducing annual Defense costs by more than \$4 billion. For realignment proposals already announced for study, section 612 could increase fiscal year 1978 budgetary requirements for defense by \$150 million and require retention, at least through fiscal year 1977, of approximately 11,300 military and civilian personnel positions not needed for essential base activities.

The nation's taxpayers rightly expect the most defense possible for their tax dollars. I am certain Congress does not intend unnecessary or arbitrary increases in the tax burden of the American people. Numerous congressional reports on national defense demonstrate the desire by the Congress to trim unnecessary defense spending and personnel. I cannot approve legislation that would result in waste and inefficiency at the expense of meeting our essential military requirements.

GERALD R. FORD

The White House,

July 2, 1976.

NOTE: The Senate sustained the President's veto on July 22, 1976.

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Remarks at a Bicentennial Ceremony at the National Archives. July 2, 1976

Thank you, Mr. Vice President, Mr. Speaker, Mr. Chief Justice, distinguished guests, ladies and gentlemen:

I am standing here before the great charters of American liberty under law. Millions of Americans, before me and after me, will have looked and lingered over these priceless documents that have guided our 200 years of high adventure as "a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal." Those were Lincoln's words as he looked to the Declaration of Independence for guidance when a raging storm obscured the Constitution. We are gathered here tonight to honor both.

Even the way these parchments are displayed is instructive—together, as they must be historically understood, the Constitution and its first 10 amendments on an equal plane; the Declaration of Independence properly central and above all.

The Declaration is the Polaris of our political order—the fixed star of free-

dom. It is impervious to change because it states moral truths that are eternal.

The Constitution provides for its own changes having equal force with the original articles. It began to change soon after it was ratified, when the Bill of Rights was added. We have since amended it 16 times more, and before we celebrate our 300th birthday, there will be more changes.

But the Declaration will be there, exactly as it was when the Continental Congress adopted it—after eliminating and changing some of Jefferson's draft, much to his annoyance. Jefferson's immortal words will remain, and they will be preserved in human hearts even if this original parchment should fall victim to time and fate.

Listen: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed. . . ."

The act of independence, the actual separation of colonies and Crown, took place 200 years ago today, when the delegations of 12 colonies adopted Richard Henry Lee's resolution of independence. The founders expected that July 2 would be celebrated as the national holiday of the newborn Republic, but they took 2 more days to debate and to approve this declaration and announcement to the world of what they had done and the reasons why.

The Declaration and other great documents of our heritage remind me of the flying machines across the Mall in the new museum¹ we opened yesterday. From the *Spirit of St. Louis* to the lunar orbital capsules, we see vehicles that enabled Americans to cross vast distances in space. In our archives and in our libraries, we find documents to transport us across centuries in time—back to Mount Sinai and the Sea of Galilee, to Runnymede, to the pitching cabin of the *Mayflower*, and to sweltering Philadelphia in midsummer, 1776.

If we maneuver our time vehicle along to 1787, we see the chamber of Independence Hall, where the Constitution is being drafted under the stern eye of George Washington. Some other faces are familiar. Benjamin Franklin is there, of course, and Roger Sherman of Connecticut. Thomas Jefferson has gone to Paris. The quiet genius of this Convention is James Madison.

But Jefferson's principles are very much present. The Constitution, when it is done, will translate the great ideals of the Declaration into a legal mechanism

¹ The President was referring to the National Air and Space Museum, which is part of the Smithsonian Institution. See Item 631.

for effective government where the unalienable rights of individual Americans are secure.

In grade school we were taught to memorize the first and last parts of the Declaration. Nowadays, even many scholars skip over the long recitation of alleged abuses by King George III and his misguided ministers. But occasionally we ought to read them, because the injuries and invasions of individual rights listed there are the very excesses of government power which the Constitution, the Bill of Rights, and subsequent amendments were designed to prevent.

The familiar parts of the Declaration describe the positives of freedom; the dull part, the negatives. Not all the rights of free people—nor all the necessary powers of government—can be enumerated in one writing or for all time, as Madison and his colleagues made plain in the 9th and 10th amendments.

But the source of all unalienable rights, the proper purposes for which governments are instituted among men, and the reasons why free people should consent to an equitable ordering of their God-given freedom have never been better stated than by Jefferson in our Declaration of Independence. Life, liberty, and the pursuit of happiness are cited as being among the most precious endowments of the Creator—but not the only ones.

Earlier, Jefferson wrote that “The God who gave us life, gave us liberty at the same time.” This better explains the bold assertion that “all Men are created equal” which Americans have debated for two centuries. We obviously are not equal in size or wisdom or strength or fortune. But we are all born—having had nothing to say about it at all—and from the moment we have a life of our own, we have a liberty of our own, and we receive both in equal shares. We are all born free in the eyes of God.

That eternal truth is the great promise of the Declaration, but it certainly was not self-evident to most of mankind in 1776. I regret to say it is not universally accepted in 1976. Yet the American adventure not only proclaimed it; for 200 years we have consistently sought to prove it true. The Declaration is the promise of freedom; the Constitution continuously seeks the fulfillment of freedom. The Constitution was created and continues—as its preamble states—“to secure the Blessings of Liberty to ourselves and our Posterity.”

The great promise of the Declaration requires far more than the patriot sacrifices of the American Revolution, more than the legal stabilizer of the Constitution, more than Lincoln’s successful answer to the question of whether a nation so conceived and so dedicated could long endure.

What does the Declaration declare?—that all human beings have certain rights as a gift from God; that these rights cannot lawfully be taken away from any

man or woman by any human agency, monarchy, or democracy; that all governments derive their just powers from the people, who consent to be governed in order to secure their rights and to effect their safety and their happiness.

Thus, both rights and powers belong to the people—the rights equally apportioned to every individual, the powers to the people as a whole.

This November the American people will, under the Constitution, again give their consent to be governed. This free and secret act should be a reaffirmation, by every eligible American, of the mutual pledges made 200 years ago by John Hancock and the others whose untrembling signatures we can still make out.

Jefferson said that the future [Earth] belongs to the living. We stand awed in the presence of these great charters—not by their beauty, not by their antiquity, but because they belong to us. We return thanks that they have guided us safely through two centuries of national independence, but the excitement of this occasion is that they still work.

All around our Nation's Capital are priceless collections of America's great contributions to the world, but many of them are machines no longer used, inventions no longer needed, clothes no longer worn, books no longer read, songs no longer sung.

Not so the Constitution, which works for us daily, changing slowly to meet new needs; not so the Bill of Rights, which protects us day and night in the exercise of our fundamental freedoms—to pray, to publish, to speak as we please.

Above all stands the magnificent Declaration, still the fixed star of freedom for the United States of America.

Let each of us, in this year of our Bicentennial, join with those brave and farsighted Americans of 1776. Let us, here and now, mutually pledge to the ennobling and enduring principles of the Declaration our lives, our fortunes, and our sacred honor. Let us do so, as they did, with firm reliance on the protection of divine providence, that the future of this land that we love may be ever brighter for our children and for generations of Americans yet to be born.

NOTE: The President spoke at 9:14 p.m. in the Exhibition Hall.

Participating in the ceremony were Vice President Nelson A. Rockefeller, Chief Justice Warren E. Burger, Speaker of the House Carl Albert, and John

W. Warner, Administrator of the American Revolution Bicentennial Administration. Their remarks are printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1002).

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Veto of the Federal Coal Leasing Amendments Bill.*July 3, 1976**To the Senate of the United States:*

I am returning to the Congress today without my approval S. 391, the Federal Coal Leasing Amendments Act of 1975.

This bill addresses two essential issues: the form of Federal assistance for communities affected by development of Federally-owned minerals, and the way that Federal procedures for the leasing of coal should be modernized.

On the first of these issues, I am in total agreement with the Congress that the Federal Government should provide assistance, and I concur in the form of assistance adopted by the Congress in S. 391. Specifically, I pledge my support for increasing the State share of Federal leasing revenues from 37½ percent to 50 percent.

Last January I proposed to the Congress the Federal Energy Impact Assistance Act to meet the same assistance problem, but in a different way. My proposal called for a program of grants, loans and loan guarantees for communities in both coastal and inland States affected by development of Federal energy resources such as gas, oil and coal.

The Congress has agreed with me that impact assistance in the form I proposed should be provided for coastal States, and I hope to be able to sign appropriate legislation in the near future.

However, in the case of States affected by S. 391—most of which are inland, the Congress by overwhelming majority has voted to expand the more traditional sharing of Federal leasing revenues, raising the State share of those revenues by one third. If S. 391 were limited to that provision, I would sign it.

Unfortunately, however, S. 391 is also littered with many other provisions which would insert so many rigidities, complications, and burdensome regulations into Federal leasing procedures that it would inhibit coal production on Federal lands, probably raise prices for consumers, and ultimately delay our achievement of energy independence.

I object in particular to the way that S. 391 restricts the flexibility of the Secretary of the Interior in setting the terms of individual leases so that a variety of conditions—physical, environmental and economic—can be taken into account. S. 391 would require a minimum royalty of 12½ percent, more than is necessary in all cases. S. 391 would also defer bonus payments—payments by the lessee

to the Government usually made at the front end of the lease—on 50 percent of the acreage, an unnecessarily stringent provision. This bill would also require production within 10 years, with no additional flexibility. Furthermore it would require approval of operating and reclamation plans within three years of lease issuance. While such terms may be appropriate in many lease transactions—or perhaps most of them—such rigid requirements will nevertheless serve to setback efforts to accelerate coal production.

Other provisions of S. 391 will unduly delay the development of our coal reserves by setting up new administrative roadblocks. In particular, S. 391 requires detailed anti-trust review of all leases, no matter how small; it requires four sets of public hearings where one or two would suffice; and it authorizes States to delay the process where National forests—a Federal responsibility—are concerned.

Still other provisions of the bill are simply unnecessary. For instance, one provision requires comprehensive Federal exploration of coal resources. This provision is not needed because the Secretary of the Interior already has—and is prepared to exercise—the authority to require prospective bidders to furnish the Department with all of their exploration data so that the Secretary, in dealing with them, will do so knowing as much about the coal resources covered as the prospective lessees.

For all of these reasons, I believe that S. 391 would have an adverse impact on our domestic coal production. On the other hand, I agree with the sponsors of this legislation that there are sound reasons for providing in Federal law—not simply in Federal regulations—a new Federal coal policy that will assure a fair and effective mechanism for future leasing.

Accordingly, I ask the Congress to work with me in developing legislation that would meet the objections I have outlined and would also increase the State share of Federal leasing revenues.

GERALD R. FORD

The White House,
July 3, 1976.

NOTE: On August 3, 1976, the Senate voted to override the President's veto. With the vote in the House of Representatives to override the veto on

August 4, S. 391 was enacted as Public Law 94-377 (90 Stat. 1083).

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Message on the Observance of Independence Day.**July 3, 1976**

[Recorded June 21, 1976. Released July 3, 1976]

TWO HUNDRED years ago we, the people of the United States of America, began a great adventure which stirred the imagination and quickened the hopes of men and women throughout the world. The date was July 4, 1776; the occasion, the signing of our Declaration of Independence.

No other nation in history has ever dedicated itself more specifically nor devoted itself more completely to the proposition that all men are created equal, that they are endowed by their Creator with such unalienable rights of life, liberty, and the pursuit of happiness.

Two centuries later, as we celebrate our Bicentennial Year of independence, the great American adventure continues. The hallmark of that adventure has always been an eagerness to explore the unknown, whether it lay across an ocean or a continent, across the vastness of space or the frontiers of human knowledge. Because we have always been ready to try new and untested enterprises in government, in commerce, in the arts and sciences, and in human relations, we have made unprecedented progress in all of these fields.

While reaching for the unknown, Americans have also kept their faith in this wisdom and experience of the past. Colonists and immigrants brought with them cherished values and ideals in religion and in culture, in law and learning which, mixed with the native American ways, gave us our rich American heritage.

The unique American union of the known and the unknown, the tried and the untried, has been the foundation for our liberty and the secret of our great success. In this country, individuals can be the masters rather than the helpless victims of their destiny. We can make our own opportunities and make the most of them.

In the space of two centuries, we have not been able to right every wrong, to correct every injustice, to reach every worthy goal. But for 200 years, we have tried and we will continue to strive to make the lives of individual men and women in this country and on this Earth better lives—more hopeful and happy, more prosperous and peaceful, more fulfilling and more free. This is our common dedication, and it will be our common glory as we enter the third century of the American adventure.

NOTE: The President spoke at 2:30 p.m. in the Cabinet Room at the White House. His remarks were recorded for later use on radio and television.

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Remarks at the Honor America Program. July 3, 1976

THANK YOU very much, Bill Marriott. May I express my appreciation and the gratitude of the American people for the wonderful job that you and your associates with the Honor America Committee have done for the last few years. We are most appreciative of a wonderful job and such a tremendous effort, and let me say on behalf of all of us, thank you very much.

There are times for solemn ceremonies, and there will be many reverent thanksgivings all over America this week and next. But we Americans are uncomfortable with too much solemnity. We like to make a joyful noise unto the Lord, to sing our country's praise with grateful hearts.

Laughter and liberty go well together. Ragtime and jazz, marches as well as hymns and spirituals set the beat of the American adventure. We have exported America's happiness to the world with our gramophones, our movies, and our own talented performers. Americans sang on riverboats, danced around the wagon trains, joked as they marched into battle. We took all of the arts of those who came to join the American adventure and made new arts of our own.

No nation has a richer heritage than we do, for America has it all. The United States is probably the only country on Earth that puts the pursuit of happiness right after life and liberty among the God-given rights of every human being.

When Jefferson wrote that, he pulled off an historic switch. For a long time, English law had used the phrase "life, liberty, and property" to describe the most precious things that couldn't be taken away from anybody without due legal process.

But Jefferson dropped property in the Declaration of Independence and substituted the pursuit of happiness. Like any good politician, Jefferson knew how to say exactly what he meant when he wanted to. So, life and liberty are plain enough to everybody, but Jefferson never did say what he meant by the pursuit of happiness.

If we have liberty, how each of us pursues happiness is up to us. However you define it, the United States of America has been a happy nation over the past 200 years. Nobody is happy all the time, but most of the people have been happy most of the time. Even in our darkest hours, we have managed a little fun.

I knew what happiness was when I was a boy. It was the Fourth of July. For weeks we would save up our pennies, nickels, and dimes, and then at the last moment Dad would come through with a couple of bucks for skyrockets. Then,

of course, there would be the big flag to hang out on the front porch and the ice cream freezer to turn and the first big spoonful that gave you a headache. Then there were parades and bands and those long speeches—this won't be one. *[Laughter]*

There would be a picnic and softball games, the endless wait until it got dark enough for the roman candles—sparklers for the little ones, who really liked the lightning bugs better. When it was all over, you went to bed happy because you knew it would happen all over again the next Fourth of July.

Here we are on the eve of our 200th, the greatest Fourth of July any of us will ever see. We are happy people because we are a free people, and while we have our faults and our failures, tonight is not the time to parade them. Rather, let's look to the third century as the century in which freedom finds fulfillment in even greater creativity and individuality.

Tonight, we salute the pursuit of happiness as we listen to our exciting past in song and in story. Two hundred years ago today, John Adams wrote his wonderful wife, Abigail, that he expected the glorious anniversary of independence to be observed down through the ages "with shows, games, sports, guns, bells, bonfires, and illuminations from one end of this continent to the other."

So, break out the flags, strike up the band, light up the skies; let the whole wide world know that the United States of America is about to have another happy birthday, going strong at 200, and in the words of the immortal Al Jolson, "You ain't seen [heard] nothing yet."

Thank you very much.

Now Betty and I will return to our seats to join you in the enjoyment of this Bicentennial celebration. But first, I have one very satisfying task to perform. The next personality you will meet is a gentleman I have introduced on a number of occasions, and who has introduced me on a number of occasions. There is no doubt in my mind that introducing him is a lot easier than following him. *[Laughter]*

So, ladies and gentlemen, I present my very good and very dear friend, Bob Hope.

NOTE: The President spoke at 8:12 p.m. in the Concert Hall at the John F. Kennedy Center for the Performing Arts. In his opening remarks, he

referred to J. Willard Marriott, Sr., chairman of the American Historic and Cultural Society, which sponsored the Honor America Program.

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Remarks in Valley Forge, Pennsylvania. July 4, 1976

Governor Shapp, Senator Scott, Senator Schweiker, Governor Ray, Congressman Schulze, Lieutenant Governor Klein, Secretary Kleppe, Administrator Warner, reverend clergy, distinguished guests, ladies and gentlemen:

Governor Shapp, I am deeply grateful for your very kind and generous remarks. The Sun always shines in Pennsylvania. [*Laughter*]

They came here in the snows of winter over a trail marked with the blood of their rag-bound feet. The iron forge that gave this place its name had been destroyed by the British when General Washington and his ragged Continental Army encamped here—exhausted, outnumbered, and short of everything except faith.

We gather here today, the 200th anniversary of our independence, to commemorate their sacrifices even before we celebrate the glorious Declaration. Americans will remember the name of Valley Forge as long as the spirit of sacrifice lives within their hearts.

Here the vein of iron in our national character was forged. In the 18th century the colonial American was far more free and far more prosperous than his European cousin. Englishmen regarded us with some envy as appropriate subjects to share their grinding tax burdens.

After Concord Bridge and Breed's Hill, the British generals were impressed with our marksmanship and fighting spirit, but they still dismissed Washington's militiamen as a rabble of arms.

Many years later, when he was 91, a veteran of Concord was interviewed and asked why he took up his rifle against his King. Did he feel intolerably oppressed? "No, never paid a penny for one of them stamps, never drank any tea, never heard of Locke. Only read the Bible and the Almanac."

Well, then, what did all the fighting mean? "Young man," the aging revolutionary said very firmly, "what we meant in going for those Redcoats was this: We had always governed ourselves, and we always meant to. They didn't mean that we should."

Without Jefferson's eloquence, those are the words of the American people's Declaration of Independence. That was the straight talk that brought some 11,000 ordinary Americans—farmers, workers, tradesmen, and shopkeepers—into this valley of sacrifice in the bitter winter of 1777. Uncounted hundreds were never to leave.

They did not die amid the banners and the fearful sounds of battle. They weakened slowly and quietly succumbed to cold, sickness, and starvation. Yet their courage and suffering—those who survived as well as those who fell—were no less meaningful than the sacrifices of those who manned the battlements of Boston and scaled the parapets of Yorktown.

In the battle against despair, Washington and his men kept freedom's lonely vigil. The leader and the led drew strength and hope from one another. Around the winter campfires that dotted these fields, the flame of liberty was somehow kept burning.

Something happened at Valley Forge. That ragged, starving Army here emerged and changed in a way that can be sensed but never fully described. They suffered, they trained, they toughened, they buried their dead, and they stayed. They stuck it out. When spring melted the snows and green returned to this beautiful countryside, a proud and disciplined fighting force marched out of this valley to victory, into the pages of history, unaware of the greatness they had done and oblivious of our gratitude.

As Abraham Lincoln noted long afterwards at another sacred site in Pennsylvania, nothing we can say here today can further consecrate or hallow this ground. But we can rededicate ourselves to the spirit of sacrifice shown at Valley Forge, Gettysburg, the Argonne Forest, Anzio Beach, and Iwo Jima.

Not all sacrifices are made in war. There are also sacrifices of peace. The sturdy wagon trains that have returned here, the wonderful people who drove them, and those along the way who rededicated themselves to the great principles of the Declaration of Independence offer heartwarming proof that our American adventure has just begun.

Our Bicentennial is the happy birthday of all 50 States, a commonwealth, and self-governing territories. It is not just a celebration for the original Thirteen Colonies. Americans are one people, and we can still hear them saying, "We have always governed ourselves, and we always mean to."

The earliest English settlers carried the Bible and Blackstone's Commentary across the Atlantic among their few cherished possessions and established their own self-governments on a strange and hostile coast. American families in prairie schooners like these took with them on the overland trails the principles of equality and the God-given rights of the Declaration of Independence.

Their restless search for a better life was begun in the spirit of adventure, but it was the spirit of sacrifice that sustained them. They suffered cruel winters, savage attacks, blazing deserts, and bloody feet. Many were buried beside the trail, but many stuck it out, dug in, and built permanent settlements where

women stood the same sentry duty as the men. In the West, the Declaration's promise of legal and political equality for women was first broadened.

The American pioneers knew that in their wilderness homes they could not be colonials ruled by a distant government. They had assurance that in due course they could govern themselves as full citizens of equal States. This political guarantee made all the risks and all the sacrifices worthwhile. Their children and future generations would have all the rights of Washington, Jackson, and Lincoln. So do we, and more so.

As we continue our American adventure, the patriots of Valley Forge and the pioneers of the American frontier—indeed, all our heroes and heroines of war and peace—send us this single, urgent message: Though prosperity is a good thing, though compassionate charity is a good thing, though institutional reform is a good thing, a nation survives only so long as the spirit of sacrifice and self-discipline is strong within its people.

Independence has to be defended as well as declared. Freedom is always worth fighting for, and liberty ultimately belongs to those willing to suffer for it.

If we remember this, we can bring health where there is disease, peace where there is strife, progress where there is poverty and want. And when our Tricentennial celebration rolls around 100 years from now, grateful Americans will come to this shrine of quiet valor, this forge of our Republic's iron core.

Thank you very much.

NOTE: The President spoke at 9:12 a.m. at Valley Forge State Park. In his opening remarks, he referred to Governor Milton J. Shapp of Pennsylvania, Senators Hugh Scott and Richard S. Schweiker, Governor Robert D. Ray of Iowa, Rep-

resentative Richard T. Schulze, Lieutenant Governor Ernest Klein of Pennsylvania, Secretary of the Interior Thomas S. Kleppe, and John W. Warner, Administrator of the American Revolution Bicentennial Administration.

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Remarks Upon Signing Legislation Establishing the Valley Forge National Historic Park. July 4, 1976

Governor Shapp, Senator Scott, Senator Schweiker, Congressman Schulze, Secretary Kleppe, distinguished guests:

This is a great privilege for me to sign this very important bill on George Washington's desk. I am deeply grateful because of the strong congressional support over a long period of years. Senator Scott, Senator Schweiker, Congressman Schulze, and many others took the lead, and the net result is that under

this legislation, the Federal Government will take over this historic site and it will be known as the Valley Forge National Historic Park.

It will be a great tribute to those that I mentioned in my remarks, to those who gave so much, and the sacrifices that they made.

So, I congratulate you, Hugh Scott. I congratulate the other Members of the House and Senate who did such a fine job in making this signing possible.

And so, Governor, we are delighted to take over and make certain that the good work of the State of Pennsylvania is carried on and that this historic site will become another in the complex of national historic sites for the preservation of those things that mean so much to us—those sites that contributed so significantly to our national history and our national progress.

Thank you very much.

NOTE: The President spoke at 9:40 a.m. at a ceremony at Valley Forge State Park, Valley Forge, Pennsylvania. In his opening remarks, he referred to Governor Milton J. Shapp of Pennsylvania, Senators Hugh Scott and Richard S.

Schweiker, Representative Richard T. Schulze, and Secretary of the Interior Thomas S. Kleppe.

As enacted, the bill (H.R. 5621) is Public Law 94-337 (90 Stat. 796).

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Remarks in Philadelphia, Pennsylvania. July 4, 1976

Charlton Heston, Mayor Rizzo, Governor Shapp, reverend clergy, distinguished Members of Congress, distinguished guests, ladies and gentlemen:

On Washington's birthday in 1861, a fortnight after six States had formed a confederacy of their own, Abraham Lincoln came here to Independence Hall knowing that in 10 days he would face the cruelest national crisis of our 85-year history.

"I am filled with deep emotion," he said, "at finding myself standing here in the place where collected together the wisdom, the patriotism, the devotion to principle, from which sprang the institutions under which we live."

Today, we can all share these simple, noble sentiments. Like Lincoln, I feel both pride and humility, rejoicing and reverence as I stand in the place where two centuries ago the United States of America was conceived in liberty and dedicated to the proposition that all men are created equal.

From this small but beautiful building, then the most imposing structure in the Colonies, came the two great documents that continue to supply the moral and intellectual power for the American adventure in self-government.

Before me is the great bronze bell that joyously rang out the news of the birth

of our Nation from the steeple of the State House. It was never intended to be a church bell. Yet a generation before the great events of 1776, the elected assembly of Pennsylvania ordered it to be inscribed with this Biblical verse: "Proclaim liberty throughout all the land unto all the inhabitants thereof."

The American settlers had many, many hardships, but they had more liberty than any other people on Earth. That was what they came for and what they meant to keep. The verse from Leviticus on the Liberty Bell refers to the ancient Jewish year of Jubilee. In every 50th year, the Jubilee restored the land and the equality of persons that prevailed when the children of Israel entered the land of promise, and both gifts came from God, as the Jubilee regularly reminded them.

Our Founding Fathers knew their Bibles as well as their Blackstone.¹ They boldly reversed the age-old political theory that kings derive their powers from God and asserted that both powers and unalienable rights belong to the people as direct endowments from their Creator. Furthermore, they declared that governments are instituted among men to secure their rights and to serve their purposes, and governments continue only so long as they have the consent of the governed.

With George Washington already commanding the American Continental Army in the field, the Second Continental Congress met here in 1776, not to demand new liberty, but to regain long-established rights which were being taken away from them without their consent.

The American Revolution was unique and remains unique in that it was fought in the name of the law as well as liberty. At the start, the Declaration of Independence proclaimed the divine source of individual rights and the purpose of human government as Americans understood it. That purpose is to secure the rights of the individuals against even government itself. But the Declaration did not tell us how to accomplish this purpose or what kind of government to set up.

First, our independence had to be won. It was not won easily, as the nearby encampment of Valley Forge, the rude bridge at Concord, and the crumbling battlements of Yorktown bear vivid interest.

We have heard much, though we cannot hear it too often, about 56 Americans who cast their votes and later signed their names to Thomas Jefferson's ringing declaration of equality and freedom so movingly read to us this morning by Miss Marian Anderson.

Do you know what price the signers of that parchment paid for their patriotism, the devotion to principle of which Lincoln spoke? John Hancock of Mas-

¹ Blackstone's Commentaries on the Law of England.

sachusetts was one of the wealthiest men who came to Philadelphia. Later, as he stood outside Boston and watched the enemy sweep by, he said, "Burn, Boston, though it makes John Hancock a beggar."

Altogether, of the 56 men who signed our great Declaration, 5 were taken prisoner, 12 had their homes sacked, 2 lost their sons, 9 died in the war itself. Those men knew what they were doing. In the final stirring words of the Declaration, they pledged to one another "our lives, our Fortunes and our sacred Honor." And when liberty was at stake, they were willing to pay the price.

We owe a great debt to these founders and to the foot soldiers who followed General Washington into battle after battle, retreat after retreat. But it is important to remember that final success in that struggle for independence, as in the many struggles that have followed, was due to the strength and support of ordinary men and women who were motivated by three powerful impulses—personal freedom, self-government, and national unity.

For all but the black slaves—many of whom fought bravely beside their masters because they also heard the promise of the Declaration—freedom was won in 1783, but the loose Articles of Confederation had proved inadequate in war and were even less effective in peace.

Again in 1787, representatives of the people and the States met in this place to form a more perfect union, a permanent legal mechanism that would translate the principles and purposes of Jefferson's Declaration into effective self-government.

Six signers of the Declaration came back to forge the Constitution, including the sage of Philadelphia, Benjamin Franklin. Jefferson had replaced him as Ambassador in Paris. The young genius of the Constitutional Convention was another Virginian, James Madison. The hero of the Revolution, Washington, was called back from Mount Vernon to preside.

Seldom in history have the men who made a revolution seen it through, but the United States was fortunate. The result of their deliberations and compromises was our Constitution, which William Gladstone, a great British Prime Minister, called "the most wonderful work ever struck off at a given time by the brain and purpose of man."

The Constitution was created to make the promise of the Declaration come true. The Declaration was not a protest against government but against the excesses of government. It prescribed the proper role of government to secure the rights of individuals and to effect their safety and their happiness. In modern society, no individual can do this all alone, so government is not necessarily evil but a necessary good.

The framers of the Constitution feared a central government that was too strong, as many Americans rightly do today. The framers of the Constitution, after their experience under the Articles, feared a central government that was too weak, as many Americans rightly do today. They spent days studying all of the contemporary governments of Europe and concluded with Dr. Franklin that all contained the seeds of their own destruction. So the framers built something new, drawing upon their English traditions, on the Roman Republic, on the uniquely American institution of the town meeting. To reassure those who felt the original Constitution did not sufficiently spell out the unalienable rights of the Declaration, the First United States Congress added—and the States ratified—the first 10 amendments, which we call the Bill of Rights.

Later, after a tragic, fraternal war, those guarantees were expanded to include all Americans. Later still, voting rights were assured for women and for younger citizens 18 to 21 years of age.

It is good to know that in our own lifetime we have taken part in the growth of freedom and in the expansion of equality which began here so long ago. This union of corrected wrongs and expanded rights has brought the blessings of liberty to the 215 million Americans, but the struggle for life, liberty, and the pursuit of happiness is never truly won. Each generation of Americans, indeed of all humanity, must strive to achieve these aspirations anew. Liberty is a living flame to be fed, not dead ashes to be revered, even in a Bicentennial Year.

It is fitting that we ask ourselves hard questions even on a glorious day like today. Are the institutions under which we live working the way they should? Are the foundations laid in 1776 and 1789 still strong enough and sound enough to resist the tremors of our times? Are our God-given rights secure, our hard-won liberties protected?

The very fact that we can ask these questions, that we can freely examine and criticize our society, is cause for confidence itself. Many of the voices raised in doubt 200 years ago served to strengthen and improve the decisions finally made.

The American adventure is a continuing process. As one milestone is passed, another is sighted. As we achieve one goal—a longer lifespan, a literate population, a leadership in world affairs—we raise our sights.

As we begin our third century, there is still so much to be done. We must increase the independence of the individual and the opportunity of all Americans to attain their full potential. We must ensure each citizen's right to privacy. We must create a more beautiful America, making human works conform to

the harmony of nature. We must develop a safer society, so ordered that happiness may be pursued without fear of crime or manmade hazards. We must build a more stable international order, politically, economically, and legally. We must match the great breakthroughs of the past century by improving health and conquering disease. We must continue to unlock the secrets of the universe beyond our planet as well as within ourselves. We must work to enrich the quality of American life at work, at play, and in our homes.

It is right that Americans are always improving. It is not only right, it is necessary. From need comes action, as it did here in Independence Hall. Those fierce political rivals—John Adams and Thomas Jefferson—in their later years carried out a warm correspondence. Both died on the Fourth of July of 1826, having lived to see the handiwork of their finest hour endure a full 50 years.

They had seen the Declaration's clear call for human liberty and equality arouse the hopes of all mankind. Jefferson wrote to Adams that "even should the cloud of barbarism and despotism again obscure the science and libraries of Europe, this country remains to preserve and restore life [light] and liberty to them."

Over a century later, in 1936, Jefferson's dire prophesy seemed about to come true. President Franklin D. Roosevelt, speaking for a mighty nation, reinforced by millions and millions of immigrants who had joined the American adventure, was able to warn the new despotisms: "We too, born to freedom, and believing in freedom, are willing to fight to maintain freedom. We, and all others who believe as deeply as we do, would rather die on our feet than live on our knees."

The world knows where we stand. The world is ever conscious of what Americans are doing for better or for worse, because the United States today remains the most successful realization of humanity's universal hope.

The world may or may not follow, but we lead because our whole history says we must. Liberty is for all men and women as a matter of equal and unalienable right. The establishment of justice and peace abroad will in large measure depend upon the peace and justice we create here in our own country, where we still show the way.

The American adventure began here with a firm reliance on the protection of Divine Providence. It continues in a common conviction that the source of our blessings is a loving God, in whom we trust. Therefore, I ask all the members of the American family, our guests and friends, to join me now in a moment of silent prayer and meditation in gratitude for all that we have received and to ask continued safety and happiness for each of us and for the United States of America.

Thank you, and God bless you.

NOTE: The President spoke at 11:18 a.m. at Independence Hall. In his opening remarks, he referred to actor Charlton Heston, master of

ceremonies, Mayor Frank L. Rizzo of Philadelphia, and Governor Milton J. Shapp of Pennsylvania.

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Remarks at a Luncheon Honoring the President in Philadelphia. July 4, 1976

Mayor Rizzo, reverend clergy, distinguished guests, ladies and gentlemen:

First, Mr. Mayor, may I express my deepest gratitude and appreciation for the very thoughtful gift from you and the people of Philadelphia. And may I express from the bottom of my heart my gratitude for the opportunity for me to participate in the Fourth of July ceremonies on this occasion on our 200th birthday in the city of Philadelphia.

It made me, as an American, proud to see what was discussed there. The people who participated in the tremendous outburst of feeling among the people of Philadelphia—you truly represent and epitomize the spirit of the Declaration of Independence and the Constitution itself, and I congratulate you.

And may I thank all the people in Pennsylvania for the opportunity to have a part in the program at Valley Forge, where the spirit of sacrifice was so evident 200-plus years ago, and to participate in all of the things throughout America where the 215 million people, wonderful individuals who believe in freedom and liberty, will lay the foundation for our third century predicated on the gifts that we have received by the sacrifices and wisdom of those of the past 200 years.

We are all proud to be Americans and proud to turn on to future generations the blessings that we have had in the past.

Thank you very, very much.

NOTE: The President spoke at 12:42 p.m. in the Grand Ballroom at the Bellevue Stratford Hotel. Mayor Frank Rizzo presented the President

with a silver bowl as a gift to the people of the United States from the people of Philadelphia.

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**Remarks Aboard the U.S.S. *Forrestal* During Operation
Sail in New York Harbor. July 4, 1976**

Secretary Middendorf, Ambassador Mosbacher, Admiral Kidd, Captain Barth, John Warner, Your Excellencies, distinguished guests, ladies and gentlemen:

At the outset, let me express my gratitude and appreciation on behalf of all the American people for everybody who had any part of making Operation Sail a success. I congratulate each and every one of you for a superb job.

It is a great pleasure for me to join my fellow Americans and the citizens of the world in this celebration of America's 200th birthday. No tribute could be more spectacular than the grand international armada which fills this great harbor today. The magnificent array of "Tall Ships" and naval vessels, the proud emissaries of 30 other nations, form an escort of special grace and beauty as the United States of America enters its third century of independence.

As we view this dramatic scene, we are reminded that America is a proud family of many peoples from many lands. We are reminded, as well, how the sea and ships have played a vital role in the life of our country. Our discoverers and explorers were sea voyagers from many nations. Our earliest colonists, seeking a new life in a new land, first had to test their strength and spirit against the Atlantic.

The U.S. Navy and the navies of our allies played a leading part in winning and defending the freedom we celebrate today. That tradition of strength and courage spans two centuries, from the time of John Paul Jones to the battles of Midway and Leyte Gulf.

Since we became a nation, the sea has also been a passageway for millions and millions of people from all over the world who have come to America to share its bounty and its opportunity and to enrich our future in return. In this harbor stands the Statue of Liberty, herself an immigrant from France, lifting her torch to those who come to join the American adventure.

As we close the log of our second century, we begin an uncharted voyage toward the future. What may lie along that course and where it may finally take us, we cannot know. But we do know this: Americans have always moved ahead with confidence, as we do now, with a firm reliance on the protection of divine providence and guided by the fixed star of freedom.

So, let us journey together into the seas of tomorrow. For America, the future is a friend.

Thank you very kindly.

NOTE: The President spoke at 2:06 p.m. on the flight deck of the U.S.S. *Forrestal*, the host ship of the International Naval Review in New York Harbor. In his opening remarks, he referred to J. William Middendorf II, Secretary of the Navy; Emil Mosbacher, Jr., Operation Sail chairman and Chief of Protocol for the State Department 1969–72; Adm. Isaac C. Kidd, Jr., USN, Commander in Chief of the Atlantic Fleet; Capt. Joseph J.

Barth, USN, U.S.S. *Forrestal* commanding officer; and John W. Warner, Administrator of the American Revolution Bicentennial Administration.

Prior to his remarks, the President rang the ship's bell 13 times—symbolizing the Thirteen Original Colonies—which began the simultaneous ringing of bells across America in commemoration of the Bicentennial.

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Letter to Prime Minister Yitzhak Rabin of Israel on the Israeli Rescue of Hostages in Uganda. July 4, 1976

Dear Mr. Prime Minister:

The American people join me in expressing our great satisfaction that the passengers of the Air France flight seized earlier this week have been saved and a senseless act of terrorism thwarted.

Sincerely,

GERALD R. FORD

NOTE: The Air France airbus was hijacked by terrorists on June 28 after it left Athens on a Paris-bound flight which originated in Israel. The

passengers and crew were held hostage in Uganda until rescued by an Israeli commando unit on July 3.

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Remarks at Naturalization Ceremonies at Monticello, Virginia. July 5, 1976

Thank you very, very much, Governor Godwin, Mr. Justice Powell, Senator Byrd, Ambassador Nolting, reverend clergy, distinguished guests, ladies and gentlemen:

It is a very great honor and a high privilege, Governor Godwin, to come to the Commonwealth of Virginia and to this beautiful and significant home and to participate in this wonderful ceremony. It is a great honor and privilege for me to be here today.

I am very proud to welcome all of you as fellow citizens of the United States of America. I invite you to join fully in the American adventure and to share our common goal and our common glory.

Our common goal is freedom—the liberty of each individual to enjoy the equal rights and to pursue the happiness which in this life God gives and self-government secures.

Our common glory is the great heritage from the past which enriches the present and ensures our future.

In 1884 France, as a birthday gift, presented the United States with a statue—the Statue of Liberty in New York Harbor. This year scores of friendly nations have sent us Bicentennial gifts which we deeply appreciate and will long cherish.

But you have given us a birthday present beyond price—yourselves, your faith, your loyalty, and your love. We thank you with full and friendly hearts.

After two centuries there is still something wonderful about being an American. If we cannot quite express it, we know what it is. You know what it is, or you would not be here today. Why not just call it patriotism?

Thomas Jefferson was a Virginia planter, a politician, a philosopher, a practical problemsolver, a Palladian architect, a poet in prose. With such genius he became a burgess, a delegate, a Governor, an ambassador, a Secretary of State, a Vice President, and President of the United States. But he was first a patriot.

The American patriots of 1776 who pledged their lives, their fortunes, and their sacred honor to declare and defend our independence did more than dissolve their ties with another country to protest against abuses of their liberties. Jefferson and his colleagues very deliberately and very daringly set out to construct a new kind of nation. “Men may be trusted,” he said, “to govern themselves without a master.” This was the most revolutionary idea in the world at that time. It remains the most revolutionary idea in the world today.

Washington, Franklin, Adams, Jefferson, Hamilton, Madison and all patriots who laid the foundation for freedom in our Declaration and our Constitution carefully studied both contemporary and classic models of government to adapt them to the American climate and our circumstances. Just as Jefferson did in designing Monticello, they wanted to build in this beautiful land a home for equal freedom and opportunity, a haven of safety and happiness, not for themselves alone, but for all who would come to us through centuries.

How well they built is told by millions upon millions who came and are still coming. Our first national census in 1790 produced a recorded population just under 4 million. Three-fourths of them traced their ancestry to the British Isles, though most had considered themselves American for several generations. There was already talk about further immigration, proposing it should be selective and restrictive, but this was swept aside by the greatest mass movement of people in all human history.

Immigrants came from almost everywhere, singly and in waves. Throughout our first century they brought the restless drive for better lives and rugged strength that cleared the wilderness, plowed the prairie, tamed the western plains, pushing into the Pacific and to Alaska. Like the Mayflower Pilgrims and the early Spanish settlers, these new Americans brought with them precious relics of the worlds they left behind—a song, a story, a dance, a tool, a seed, a recipe, the name of a place, the rules of a game, a trick of the trade.

Such transfusions of traditions and cultures, as well as of blood, have made America unique among nations and Americans a new kind of people. There is little the world has that is not native to the United States today. Unfettered by ancient hates, the people of the young United States really believed that all men are created equal. We admit they had stubborn blind spots in their lofty vision—for blacks, whose forebearers had been Americans almost as long as theirs, and for women, whose political rights we took even longer to recognize.

This is not the day, however, to deplore our shortcomings or to regret that not all new citizens have been welcomed as you are here today. The essential fact is that the United States—as a national policy and in the hearts of most Americans—has been willing to absorb anyone from anywhere. We were confident that simply by sharing our American adventure these newcomers would be loyal, law-abiding, productive citizens, and they did. Older nations in the 18th and 19th centuries granted their nationality to foreign born only as a special privilege, if at all. We offered citizenship to all, and we have been richly rewarded.

The United States was able to do this because we are uniquely a community of values, as distinct from a religious community, a racial community, a geographic community, or an ethnic community. This Nation was founded 200 years ago, not on ancient legends or conquests or physical likeness or language, but on a certain political value which Jefferson's pen so eloquently expressed.

To be an American is to subscribe to those principles which the Declaration of Independence proclaims and the Constitution protects—the political values of self-government, liberty and justice, equal rights, and equal opportunity. These beliefs are the secrets of America's unity from diversity—in my judgment the most magnificent achievement of our 200 years as a nation.

"Black is beautiful" was a motto of genius which uplifted us far above its intention. Once Americans had thought about it and perceived its truth, we began to realize that so are brown, white, red, and yellow beautiful. When I was young, a Sunday school teacher told us that the beauty of Joseph's coat was its many

colors. I believe Americans are beautiful—individually, in communities, and freely joined together by dedication to the United States of America.

I see a growing danger in this country to conformity of thought and taste and behavior. We need more encouragement and protection for individuality. The wealth we have of culture, ethnic and religious and racial traditions are valuable counterbalances to the overpowering sameness and subordination of totalitarian societies.

The sense of belonging to any group that stands for something decent and noble, so long as it does not confine free spirits or cultivate hostility to others, is part of the pride every American should have in the heritage of the past. That heritage is rooted now, not in England alone—as indebted as we are for the Magna Carta and the common law—not in Europe alone, or in Africa alone, or Asia, or on the islands of the sea. The American adventure draws from the best of all of mankind's long sojourn here on Earth and now reaches out into the solar system.

You came as strangers among us and you leave here as citizens, equal in fundamental rights, equal before the law, with an equal share in the promise of the future.

Jefferson did not define what the pursuit of happiness means for you or for me. Our Constitution does not guarantee that any of us will find it. But we are free to try.

Foreigners like Lafayette, Von Steuben, and Pulaski came to fight in our Revolution because they believed in its principles that they felt were universal. Immigrants like Andrew Carnegie came as a poor boy and created a great steel industry, then gave his fortune back to America for libraries, universities, and museums. Maria Francesca [Ste. Frances Xavier] Cabrini came as a missionary sister to serve the sick and the poor. Samuel Gompers worked in a sweatshop, spent his lunchtime helping other immigrant workers learn to read so they could become citizens. We have gained far, far more than we have given to the millions who made America their second homeland.

Remember that none of us are more than caretakers of this great country. Remember that the more freedom you give to others, the more you will have for yourself. Remember that without law there can be no liberty. And remember, as well, the rich treasures you brought from whence you came, and let us share your pride in them. This is the way that we keep our independence as exciting as the day it was declared and keep the United States of America even more beautiful than Joseph's coat.

Thank you very much.

NOTE: The President spoke at 11:25 a.m. at Thomas Jefferson's home, Monticello, in Charlottesville, Va. In his opening remarks, he referred to Governor Mills E. Godwin, Jr., of Virginia, Su-

preme Court Justice Lewis F. Powell, Jr., Senator Harry F. Byrd, Jr., of Virginia, and Frederick E. Nolting, Jr., Ambassador to the Republic of Vietnam 1961-63.

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Statement on Signing the Emergency Food Stamp Vendor Accountability Act of 1976. *July 6, 1976*

I HAVE signed S. 2853, the Emergency Food Stamp Vendor Accountability Act of 1976. I applaud the efforts of the Congress in enacting this legislation to make food stamp vendors accountable for food stamps that they hold as well as for the funds collected.

The bill is designed to eliminate the widely publicized coupon vendor abuses. The legislation will ensure that persons authorized to sell food stamps promptly deposit the cash collected. Also, it will help minimize the potential for abuse by providing specific criminal penalties for certain violations of the statutory requirements. Food stamp program costs will be reduced by eliminating losses of interest due to late deposits of cash collected by the vendors. Further, the enactment of criminal penalties will be a significant inducement for vendor compliance with food stamp program requirements.

Although I am pleased to sign this measure because it represents a significant step toward improving program accountability, it falls far short of the meaningful food stamp program reforms which are needed to redirect food stamp benefits to the truly needy and to eliminate from the program persons with income substantially above the poverty level.

In 1975 I submitted to the Congress a comprehensive food stamp reform proposal which was aimed at simplifying program administration and achieving program equity, as well as strengthening program accountability. The Congress has been working on program reforms, but as yet no substantive reforms have been enacted.

Each day that goes by without action to reform the food stamp program costs the taxpayers about \$3 million. I continue to believe that the Congress should act quickly on my legislative proposals so that reforms can be implemented to control costs and abuses of the food stamp program.

NOTE: As enacted, S. 2853, approved July 5, 1976, is Public Law 94-339 (90 Stat. 799).

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**Special Message to the Congress Reporting on Budget Deferrals.
July 6, 1976***To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling \$4.6 million in budget authority. In addition, I am transmitting 27 supplementary deferrals that have a net effect of decreasing the total amount of deferred funds previously transmitted by \$1,462.5 million.

The two new deferrals are routine actions and involve \$135,938 for the Special foreign currency program of the Department of Labor and \$4.4 million for the National Commission for the Observance of International Women's Year. Eighteen of the supplementary reports extend deferrals into the transition quarter while the remaining nine reflect increases to the amounts originally reported.

The details of the revised and new deferrals are contained in the attached reports.

GERALD R. FORD

The White House,
July 6, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of July 8, 1976 (41 FR 28150).

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**Remarks Announcing Decision To Veto the Public Works
Employment Act of 1976. July 6, 1976**

BEFORE the Congress went on recess, the Democratic majority clearly established the direction they would have our Nation go—toward more Federal spending, higher taxes, larger deficits, more people on the Federal payroll, and higher inflation. The signs are unmistakable.

Four months before a national election, Congress is moving full speed ahead down the road to bigger and bigger giveaway programs. The American people want and deserve something far better, such as the additional tax cuts that I proposed to begin July 1.

I am announcing today my decision to veto the public works jobs bill, which is the biggest spending bill left behind by the Congress. This bill would not create lasting jobs but would create new inflationary pressures. The veto, if sus-

tained by the Congress, would save the taxpayers \$4 billion and will help to ward off the risks of new inflation.

While Members of Congress are home for recess, people have an excellent opportunity to tell them just how they feel. If the American people want to hold down Federal spending and have the additional tax cuts that I have proposed, now is the time to say so, loud and clear.

NOTE: The President spoke at 4:10 p.m. in the Oval Office at the White House.

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Veto of the Public Works Employment Act of 1976.

July 6, 1976

To the Senate of the United States:

I am today returning without my approval, S. 3201, the Public Works Employment Act of 1976.

This bill would require \$3.95 billion in Federal spending above and beyond what is necessary. It sends a clear signal to the American people that four months before a national election, the Congress is enacting empty promises and giveaway programs. I will not take the country down that path. Time and time again, we have found where it leads: to larger deficits, higher taxes, higher inflation and ultimately higher unemployment.

We must stand firm. I know the temptation, but I urge Members of Congress to reconsider their positions and join with me now in keeping our economy on the road to healthy, sustained growth.

It was almost five months ago that the Senate sustained my veto of a similar bill, H.R. 5247, and the reasons compelling that veto are equally persuasive now with respect to S. 3201. Bad policy is bad whether the inflation price tag is \$4 billion or \$6 billion.

Proponents of S. 3201 argue that it is urgently needed to provide new jobs. I yield to no one in concern over the effects of unemployment and in the desire that there be enough jobs for every American who is seeking work. To emphasize the point, let me remind the Congress that the economic policies of this Administration are designed to create 2-2.5 million jobs in 1976 and an additional 2 million jobs in 1977. By contrast, Administration economists estimate that this bill, S. 3201, will create at most 160,000 jobs over the coming year—less than 5% of what my own policies will accomplish. Moreover, the jobs created by S. 3201 would reduce national unemployment by less than one-tenth of one

percent in any year. The actual projection is that the effect would be .06 percent, at a cost of \$4 billion. Thus, the heart of the debate over this bill is not over who cares the most—we all care a great deal—but over the best way to reach our goal.

When I vetoed H.R. 5247 last February, I pointed out that it was unwise to stimulate even further an economy which was showing signs of a strong and steady recovery. Since that time the record speaks for itself. The present 7.5 percent unemployment rate is a full one percent lower than the average unemployment rate of 8.5 percent last year. More importantly, almost three and a half million more Americans now have jobs than was the case in March of last year. We have accomplished this while at the same time reducing inflation which plunged the country into the severe recession of 1975.

S. 3201 would authorize almost \$4 billion in additional Federal spending—\$2 billion for public works, \$1.25 billion for countercyclical aid to state and local governments, and \$700 million for EPA waste water treatment grants.

Beyond the intolerable addition to the budget, S. 3201 has several serious deficiencies. First, relatively few new jobs would be created. The bill's sponsors estimate that S. 3201 would create 325,000 new jobs but, as pointed out above, our estimates indicate that at most some 160,000 work-years of employment would be created—and that would be over a period of several years. The peak impact would come in late 1977 or 1978 and would add no more than 50,000 to 60,000 new jobs in any year.

Second, S. 3201 would create few new jobs in the immediate future. With peak impact on jobs in late 1977 or early 1978, this legislation would add further stimulus to the economy at precisely the wrong time: when the economy is already far into the recovery.

Third, the cost of producing jobs under this bill would be intolerably high, probably in excess of \$25,000 per job.

Fourth, this bill would be inflationary since it would increase Federal spending and consequently the budget deficit by as much as \$1.5 billion in 1977 alone. It would increase demands on the economy and on the borrowing needs of the government when those demands are least desirable. Basic to job creation in the private sector is reducing the ever increasing demands of the Federal government for funds. Federal government borrowing to support deficit spending reduces the amount of money available for productive investment at a time when many experts are predicting that we face a shortage of private capital in the future. Less private investment means fewer jobs and less production per worker. Paradoxically, a bill designed as a job creation measure may, in the long run, place just the opposite pressures on the economy.

I recognize there is merit in the argument that some areas of the country are suffering from exceptionally high rates of unemployment and that the Federal government should provide assistance. My budgets for fiscal years 1976 and 1977 do, in fact, seek to provide such assistance.

Beyond my own budget recommendations, I believe that in addressing the immediate needs of some of our cities hardest hit by the recession, another measure before the Congress, H.R. 11860 sponsored by Congressman Garry Brown and S. 2986 sponsored by Senator Bob Griffin provides a far more reasonable and constructive approach than the bill I am vetoing.

H.R. 11860 would target funds on those areas with the highest unemployment so that they may undertake high priority activities at a fraction of the cost of S. 3201. The funds would be distributed exclusively under an impartial formula as opposed to the pork barrel approach represented by the public works portions of the bill I am returning today. Moreover, H.R. 11860 builds upon the successful Community Development Block Grant program. That program is in place and working well, thus permitting H.R. 11860 to be administered without the creation of a new bureaucracy. I would be glad to accept this legislation should the Congress formally act upon it as an alternative to S. 3201.

The best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I intend to continue this basic approach because it is working.

My proposed economic policies are expected to produce lasting, productive jobs, not temporary jobs paid for by the American taxpayer.

This is a policy of balance, realism, and common sense. It is a sound policy which provides long term benefits and does not promise more than it can deliver.

My program includes:

- Large and permanent tax reductions that will leave more money where it can do the most good: in the hands of the American people;

- Incentives for the construction of new plants and equipment in areas of high unemployment;

- More than \$21 billion in outlays in the fiscal year beginning October 1 for important public works such as energy facilities, waste water treatment plants, roads, and veterans' hospitals representing a 17 percent increase over the previous fiscal year.

—And a five and three quarter year package of general revenue sharing funds for state and local governments.

I ask Congress to act quickly on my tax and budget proposals, which I believe will provide the jobs for the unemployed that we all want.

GERALD R. FORD

The White House,
July 6, 1976.

NOTE: On July 21, 1976, the Senate voted to override the President's veto. With the vote in the House of Representatives to override the veto on July 22, S. 3201 was enacted as Public Law 94-

369 (90 Stat. 999).

For the President's statement on congressional enactment of the legislation, see Item 686.

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Remarks of Welcome to Queen Elizabeth II of the United Kingdom. July 7, 1976

Your Majesty, Your Royal Highness, ladies and gentlemen:

On behalf of the American people, I am delighted to welcome you and your party to the United States and to the White House.

Your first state visit to America in 1957 marked the 350th anniversary of the settlement of Jamestown, the first permanent British colony in this new land. You honor us again by coming to share our Bicentennial observance in the new spirit of optimism and cooperation generated by this great occasion.

During the 169 years between the first settlement of Jamestown and our independence, 13 Colonies prospered, protected by the British Navy, enjoying the advantage of British commerce, and adopting British concepts of representative self-government. In declaring independence in 1776, we looked for guidance to our British heritage of representative government—representative government as well as law. As a sovereign nation we have kept and nurtured the most durable bond of all—the bond of idealism in which our new nation was conceived.

Your Majesty's visit symbolizes our deep and continuing commitment to the common values of an Anglo-American civilization. Your Majesty, for generations our peoples have worked together and fought together side by side. As democracies we continue our quest for peace and justice.

The challenges we now face are different from those that we have confronted together and overcome in the past. At stake is the future of the industrialized democracies which have sustained their destiny in common for more than a generation. At stake is the further extension of the blessings of liberty, to all

humanity in the creation of a better world. As new nations and old, each set their political course to achieve these aims. The principles of human dignity and individual rights set forth in the Magna Carta and our own Declaration of Independence remain truly revolutionary landmarks.

Your Majesty, the wounds of our parting in 1776 healed long ago. Americans admire the United Kingdom as one of our truest allies and best friends. There could be no more convincing evidence of that friendship than the splendid British contributions and participation on the occasion of our Bicentennial.

Last month I had the privilege and honor to welcome to the White House Rose Garden the distinguished delegation of the British Parliament, who escorted an historic copy of the Magna Carta to America. The loan of this document for our Bicentennial is a gesture that will bring pleasure and inspiration to all who view it.

Yesterday, in Philadelphia, Your Majesty inaugurated the new Bicentennial bell, a gift from the people of Britain to the people of the United States, inscribed "Let Freedom Ring." It will hang in the Bell Tower in Independence National Historical Park. When I was in Philadelphia on the Fourth of July, I thought what a perfect complement the new bell will be to our own Liberty Bell and the Centennial bell in Independence Hall.

For these gifts and for many others which Britain has honored our historic celebration, the American people are deeply grateful. Above all, we appreciate the personal honor you have so graciously demonstrated by visiting our shores at this special moment in our history.

During your visit you will travel to hallowed American landmarks. You will observe many changes since you were here last. But as you travel throughout our land, I trust that you will find something else in the United States—a new sense of unity, of friendship, of purpose, and tranquillity. Something wonderful happened to America this past weekend. A spirit of unity and togetherness deep within the American soul sprang to the surface in a way that we had almost forgotten. People showed again that they care, that they want to live in peace and harmony with their neighbors, that they want to pull together for the good of the Nation and for the good of mankind.

This weekend we had a marvelous reaffirmation of the American spirit. In the days ahead, we would like very much to share that spirit with you.

During your visit in 1957, President Eisenhower remarked that America's respect for Britain was symbolized in our affection for the royal family. It is in this spirit we welcome Your Majesty's visit as a happy occasion for reaffirming

our joint dedication to freedom, to peace, democracy, and the well-being of our people.

Your Majesty, America bids you, Prince Philip, and your party a most cordial and heartfelt welcome.

NOTE: The President spoke at 11:54 a.m. on the South Lawn at the White House, where Queen Elizabeth was given a formal welcome with full military honors. The Queen responded as follows:

Mr. President, thank you for your welcome to us. We are very pleased to be with you and the American people in this most important week of your Bicentennial Year.

Our countries have a great deal in common. The early British settlers created here a society that owes much to its origins across the ocean. For nearly 170 years there was a formal constitutional link between us. Your Declaration of Independence broke that link, but it did not for long break our friendship.

John Adams, America's first Ambassador, said to my ancestor, King George III, that it was his desire to help with the restoration of "the old good nature and the old good humor between our peoples." That restoration has long been made, and the links of

language, tradition, and personal contact have maintained it.

Yesterday, Prince Philip and I were deeply moved by the welcome we were given in Philadelphia. And now we are looking forward to our time in Washington and to our visits to New York and Boston and to the home of Thomas Jefferson at Monticello. We shall have visited the four cities that were at the center of events 200 years ago. We also hope to see something of America of 1976 and of the young people who will be taking this country forward into its third century.

Mr. President, the British and American people are as close today as two peoples have ever been. We see you as our strong and trusted friend, and we believe that you, in turn, will find us as ready as ever to bear our full share in defending the values in which we both believe.

That is why we are so happy to be here.

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Veto of the Federal Fire Prevention and Control Bill.

July 7, 1976

To the House of Representatives:

I am returning, without my approval, H.R. 12567, a bill "to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the Act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes."

I am disapproving H.R. 12567 because it contains a provision that would seriously obstruct the exercise of the President's constitutional responsibilities over Executive branch operations. Section 2 of the enrolled bill provides that Congress may, by concurrent resolution, "veto" a plan to commit funds for construction of the National Academy for Fire Prevention and Control. This provision extends to the Congress the power to prohibit specific transactions authorized by law, without changing the law and without following the constitutional process such a change would require. Moreover, it involves the Congress directly in the performance of Executive functions in disregard of the fundamental principle of separation of powers.

Provisions of this type have been appearing in an increasing number of bills

which this Congress has passed or is considering. Most are intended to enhance the power of the Congress over the detailed execution of the laws at the expense of the President's authority. I have consistently opposed legislation containing these provisions, and will continue to oppose actions that constitute a legislative encroachment on the Executive branch.

I urge the Congress to reconsider H.R. 12567 and to pass a bill I can accept so that it will be possible for the National Fire Prevention and Control Administration to proceed with its important work.

GERALD R. FORD

The White House,
July 7, 1976.

NOTE: The bill was referred to the House Science and Technology Committee on July 19, and no further action was taken.

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Toasts of the President and Queen Elizabeth II of the United Kingdom. *July 7, 1976*

Your Majesty, Your Royal Highness, distinguished guests:

We are deeply honored to have you, and Prince Philip with you, this evening. On behalf of all Americans, Mrs. Ford and I take the greatest pleasure in extending the hospitality of the United States to you and your party who are visiting us.

Your Majesty, this evening we honor a very remarkable relationship between two sovereign nations. During our 200 years as an independent nation, the United States has never forgotten its British heritage. Nearly four centuries ago, the British came to a wilderness and built a new civilization on British custom, British fortitude, British law, and British government.

Our Founding Fathers served in British colonial legislatures, fought in British military forces, and learned representative self-government from British books and practice. Yet, for all this, the colonists from England and other lands created in America a civilization different from that of the mother country.

Inevitably, we dissolved the political bands that connected us. The United States won independence and established a nation that adapted the best of British traditions to the American climate and to the American character. Our reconciliation, our friendship and firm alliance seem, in retrospect, to have been

natural for two nations that share the same fundamental devotion to human dignity.

Our first Ambassador to England, John Adams, foresaw that future when he spoke to your great-great-great-grandmother, Queen Charlotte, and said, "Permit me, madam, to recommend to Your Majesty's royal goodness a rising empire and an infant virgin world. It will, in future [ages] be the glory of these kingdoms to have peopled that country and to have sown there those seeds of science, of beauty [liberty], of virtue and [of] piety, which alone constitute the prosperity of nations and the happiness of the human race."

Now, 200 years later, we have settled our continent. People have come from every corner of the Earth to share in the hope, the building, and the spirit of our Republic. On this Bicentennial, Americans have united in a new mood of hope and of confidence. We are very delighted by your very timely visit and by your gracious participation in this great reaffirmation of American pride.

John Adam's prophesy has been fulfilled. Your Majesty, you personally attested to the accuracy of his vision that England would someday be proud of the United States. In 1951 [1957], during your visit to Washington, you stated that free men everywhere looked toward the United States with affection and with hope.

The message that has gone out from this great Capital City has brought hope and courage to a troubled world. This year, I know that you will find the warmth of your reception even greater than before. You will recognize in the American people a continuing, unswerving devotion to the principles that have made our two countries champions of freedom and a new American spirit of confidence and optimism as the United States enters its third century.

The ties that bind us together have, through two great wars, served as a bulwark in the defense of liberty and the dignity of man himself. These ideals, born and nurtured in our common past, have withstood the test of time.

Our two nations today are working side-by-side in preserving freedom through commitment to a common defense in the Atlantic alliance, in pursuing peace and greater global stability, in seeking the well-being of all peoples through our joint efforts—as in Puerto Rico, a little more than a week ago—to improve our own societies and to assist the developing nations of the world.

Your Majesty, during the time of your reign and during my service in our own Government, the world has seen many, many changes. In the last generation, our two countries have met what sometimes seemed to be insurmountable obstacles and challenges.

Today's challenges and obstacles are no less serious. They are different, and

in many ways more complex, than those of the past. Yet I am confident that the democracies, working together, can and will proceed with courage and dedication to do as well as those first stalwart Englishmen who settled here, and their descendants who forged an independent nation, will ultimately and definitely prevail.

In a changing world, our continuing relationship is a reassuring symbol of our determination to continue the defense of freedom. Your Bicentennial visit and the many, many generous gifts from the British people are vivid reminders of the continuing vitality of the friendship and our partnership in a noble endeavor.

Your Majesty, as we celebrate our past, we also look forward with confidence to working for a better life for all humanity. In our third century, I know that the United Kingdom will be on our side and the United States will be on your side.

Your Royal Highness, ladies and gentlemen—the Queen.

NOTE: The President spoke at 10:47 p.m. in the Rose Garden at the White House. Queen Elizabeth II responded as follows:

Mr. President, thank you for your welcome and for your gracious words tonight. We are deeply grateful for having been invited to visit the United States in the main week of your Bicentenary. It was a generous gesture and apposite. After all, nobody can say that what happened on the Fourth of July, 1776, was not very much a bilateral affair between us. [Laughter] We were indeed happy to accept your invitation.

Two hundred years ago this week, America declared its independence from Britain, and for several years the English-speaking world was at war with itself, and families on both sides of the ocean were deeply divided.

So, too, was the British Parliament, whose greatest orators of the time denounced the measures which provoked the war and the separation. But when Britain eventually recognized the independence of the United States of America, a new chapter in history opened.

In the summer of 1785, John Adams, America's first envoy to the Court of St. James, paid his first call on King George III. My ancestor said to him, in well-known words which are worth repeating, "I was the last man in the Kingdom to consent to the separation, but the separation having been made, I have always said, as I say now, that I would be the first to meet the friendship of the United States as an independent power."

Mr. President, history is not a fairy tale. Despite the good intentions, hostility soon broke out be-

tween us—and even burst into this house. [Laughter] But these early quarrels are long buried. What is more important is that our shared language, traditions, and history have given us a common vision of what is right and just.

Both our peoples believe in the worth of the individual and the family, in freedom of religion and expression, and the right to change a government by the ballot box rather than the gun—perhaps, the best definition of democracy. That is why time and time again, in the testing days of war and the constructive years of peace, we have stood together on the things that matter.

The world has changed a great deal since that Declaration was signed in Independence Hall 200 years ago. Over the generations, the British people have watched with admiration—and can I say with pride—how you, with ingenuity and resource, first peopled and settled the continent and then undertook a world role which has brought great and lasting benefits to humanity.

Britain, too, has undergone many changes. The British Empire, with imagination and goodwill, has been transformed into a Commonwealth of nations. And in this age, when the relationship between the developed and the developing countries is a central issue, I have no doubt that this Commonwealth link of friendship and understanding is of true value.

At home in recent years, Britain has sought to ensure that everyone has the opportunity for self-fulfillment and a real stake in the future development and prosperity of the country. She is a country much concerned about things that matter—the creation of the necessary wealth to support a prosperous society, the preservation of a clean and healthy en-

vironment, the education of the young, the care of the elderly and the sick.

While maintaining the closest links with the commonwealth and the United States, Britain has become a member of the European Community, and this gives us yet another opportunity to work through a wider grouping for the benefit of all.

Interdependence is a feature of the modern world, a world that has become smaller, yet more complex. Today, no nation can stand alone. We depend, as never before, upon each other.

Mr. President, we live in times of uncertainty, even of apprehension, and with forces that we can-

not allow to escape from our control. We must be farsighted and adaptable. But we must never lose sight of our basic values, nor underrate the worth of what we know to be certain.

One thing is certain, and that is the strength and permanence of Anglo-American friendship. It has grown and prospered down the years. It has brought with it benefits beyond measure to our peoples. May it long continue to flourish for the sake of both our countries and for the greater good of mankind.

Mr. President, I raise my glass to you and to Mrs. Ford, to the 200th birthday of America, and to the happiness of her staunch and generous people.

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The President's News Conference of July 9, 1976

THE PRESIDENT. We have no set format. I don't know whose turn it is—AP, UPI.

REACTION TO BICENTENNIAL WEEKEND

[1.] REPORTER. You have nothing in particular on your mind this morning, Mr. President?

THE PRESIDENT. No, I am just glad to see you all.

I feel very, very encouraged and very pleased with the results of the Bicentennial weekend. I was pleasantly surprised at the reaction throughout the country. I think it was well reported by the press that not only in Philadelphia, in Valley Forge, in New York, and Washington did everything move along extremely well but it was reported all over the country that there was a real, genuine resurgence of good American feeling toward one another, toward the country, that I think augurs for a real good third century. So, we are well on our way, and I think it will continue.

Frank [Frank Cormier, Associated Press], anything else?

Q. Not right offhand. [*Laughter*]

REPUBLICAN PRESIDENTIAL NOMINATION

[2.] Q. Mr. President, how do you view your race for the nomination with Governor Reagan? How do you think you stand now in delegates? Are you confident of a victory, initially?

THE PRESIDENT. I am very confident. The projections clearly indicate to me that when we get to Kansas City we will have a first ballot victory. You can read

all the numbers, but when you analyze them, I think, objectively the Ford nomination will prevail on the first ballot.

We have had some very good movement in individual States. We have had good results, of course, in North Dakota. We expect good results next week. And so when we go to Kansas City, I am very confident that we will prevail on the first ballot.

VICE-PRESIDENTIAL RUNNING MATE

[3.] Q. Who do you want for a Vice-Presidential running mate?

THE PRESIDENT. Fran [Frances Lewine, Associated Press], I don't exclude anybody. We've got a wealth of talent, and I think it's premature to winnow that list down. We have to take into consideration a number of factors—the prime one, of course, being an individual who would be an excellent President. But there are other factors that have to be taken into consideration, and until we get closer to the convention, I think it is too early to make any real speculation.

Q. Would you rule anyone out like—would you rule Mr. Reagan out?

THE PRESIDENT. I repeat, I exclude nobody. And I hope that individuals in the meantime will not exclude themselves, because we want the best ticket we can get to win in November.

ISRAELI RESCUE OF HOSTAGES IN UGANDA

[4.] Q. Mr. President, Governor Reagan made the statement when apprised of the Israeli rescue raid in Uganda, "This is what Americans used to do." And one of the hostages, who is an American citizen said America didn't "give a damn about us, Israel freed us." I wonder, what is your reaction?

THE PRESIDENT. I can assure you that this administration has taken a firm action wherever we have been confronted with any illegal international action. The best illustration of course is what we did in 1975 in the *Mayaguez* incident. I think that was a clear warning to any nation that violates international law that this administration will act swiftly and firmly and, I think, successfully.

Q. If I could follow that up, the State Department said—when asked, "What is the United States doing?"—said that they had contacted numerous governments as well as the International Red Cross. What else did we do to compare with the Israeli action?

THE PRESIDENT. We took whatever action we felt was appropriate at that time to indicate our strong feeling against international terrorism, and we asked for the full cooperation of all governments to make certain that the hostages were freed.

And as you know, we indicated to Prime Minister Rabin that we were gratified that the Israelis had taken the very specific action to free the hostages, and at the same time we reiterated our firm opposition to international terrorism.

Q. Did we know in advance of that Israeli raid?

THE PRESIDENT. We did not.

PROSPECTS FOR A REPUBLICAN VICTORY IN NOVEMBER

[5.] Q. Mr. President, is there not concern that if you should win a narrow victory at the convention and receive the nomination by a small majority, that you will have some difficulty winning the election, being a member of the minority party?

THE PRESIDENT. Not at all. The competition has been close, controversial, and if you win, you win. I talk very affirmatively about the need and necessity for a unified party. I think we can leave Kansas City with a win and a unified party.

And once we get the nomination, we can start pointing out the distinct differences between the prospective Democratic nominee and myself; we can talk about the record that we have. It is a record that I think will be applauded objectively by 99 and 9/10 percent of the delegates to the Republican Convention.

I think it will appeal to a good many Independents, and I have already had some indications that there are some Democrats who think the record of the Ford administration is a good one. So, we will enter the campaign after the convention with a good opportunity to prevail November 2.

PRICE OF OIL

[6.] Q. Mr. President, when you met with the Saudi official¹ this morning, did he indicate to you that oil prices will be going up again at the end of the year, or didn't you discuss this at all?

THE PRESIDENT. There was no discussion of the prospect of any oil price increase. I expressed my appreciation for the action by OPEC in not increasing oil prices in their recent meeting. I pointed out I thought that was in the best interests of the free world and that it would be beneficial not only to the oil consumers but the oil producers in the long run.

DISTRIBUTION OF CONVENTION ACCOMMODATIONS

[7.] Mr. President, this morning Tom Curtis, former FEC Chairman who,

¹Prince Abdallah bin Abd al-Aziz-Saud, the Second Deputy Prime Minister and Commander of the National Guard of Saudi Arabia, met with the President and also presented him with Bicentennial gifts from Saudi Arabia.

as you know, is now working for Ronald Reagan in his campaign, said that he feels the FEC should take action, that the White House is getting unfair treatment at Kansas City—you are getting more rooms. And specifically, according to Mr. Nofziger, 388 hotel rooms are allotted to the Ford campaign and the White House, while only 100 rooms are allotted to the Reagan campaign; Ford groups have received 650 gallery passes, while the Reagan campaign has received only 300. And because the conventions this time are using tax money, Curtis is saying that the FEC should take some action. How do you feel about it?

THE PRESIDENT. Of course, you have to recognize my good friend Tom Curtis is a Reagan delegate, so I would expect he would take that point of view. We are living up to the letter and the spirit of the law. The decisions in this case were made by the Republican National Committee. I understand they were made unanimously, and, as I am told, it doesn't fall within the jurisdiction of the Federal Election Commission.

But I reiterate that in every instance where there has been a ruling by the FEC, this administration has lived up to the letter as well as the spirit.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[8.] Q. Mr. President, do you plan to, in the interest of party unity, throw the Vice-Presidential nomination up to the convention—not mention any names, your preference, just let the convention delegates decide?

THE PRESIDENT. We haven't made any decision on that, Phil [Phil Jones, CBS News]. As I said, I have excluded no one from my consideration as far as a running mate is concerned. Whether that would be a possibility, it's just premature to make any commitment.

OLYMPICS DISPUTE OVER TAIWAN

[9.] Q. Mr. President, what would you like for the International Olympic Committee to do to resolve the dispute between Canada and Taiwan?

THE PRESIDENT. I think it's tragic that international politics and foreign policy get involved in international sport competition. I strongly feel that the Olympics are a healthy thing for the world as a whole. Competition between athletes from all countries ought to be stimulated rather than curtailed. And so, I hope and trust that the diplomatic problems or the international foreign policy problems can be resolved so that this healthy competition can go on.

Q. Have you done anything about it? Have you contacted the Canadian Government?

THE PRESIDENT. I am being kept abreast of it, but this is a decision that gets

involved in Canadian Government decisions on the one hand and the International Olympic Committee on the other. I have expressed myself very clearly that we hope they will continue as broadly based as possible.

ISRAELI RESCUE OF HOSTAGES IN UGANDA

[10.] Q. Mr. President, do you believe that the Israeli violation of Uganda national sovereignty was justified?

THE PRESIDENT. The Department of State and our representatives to the United Nations will set forth our position very clearly in the debate that I think begins today, on one or more resolutions before the Security Council. I am told that our position is a firm one, on good legal grounds, and I will wait and let that be expressed by them during the debate.

PRESIDENT FORD'S PROSPECTS FOR A FIRST-BALLOT NOMINATION

[11.] Q. Mr. President, could we talk about the delegates once again? Do you believe that before you get to Kansas City you are going to have more than you need to get a first ballot victory—that you can cite and name?

THE PRESIDENT. I think, as I said a moment ago, we will have enough delegates to win on the first ballot, which I think infers certainly that we know who will be voting for President Ford's nomination.

ALASKA PIPELINE

[12.] Q. Mr. President, can you tell us what you've learned recently about the extent of the problems on the Alaska pipeline and what the penalties might be in terms of cost and delay?

THE PRESIDENT. I got a very complete report late yesterday afternoon from the Secretary of Interior and the Secretary of Transportation. I think you know that Under Secretary [Deputy Secretary] of Transportation John Barnum is either leaving or has left to go up there with a group of technical people to make an on-the-spot evaluation of the several reports as to the number of welds that are allegedly defective. I am going to be kept constantly advised as to what they recommend as to a procedure and as to the certainty that the pipeline meets all of the Department of Transportation's regulations for interstate pipeline safety.

We have not gotten into the added cost, whatever it might be, but I am confident that I will be fully advised at all times.

Q. Have you talked with any people from the Justice Department as to the possibility of criminality involved in falsification of records?

THE PRESIDENT. That is a matter for the Department of Justice to determine.

I have not personally communicated with the Department, and I think they have to make any judgments over there, not myself.

PRESIDENT FORD'S CAMPAIGN STRATEGY

[13.] Q. Mr. President, will Southern support be vital, and will it be absolutely necessary for your election in November?

THE PRESIDENT. I hope to get support in all 50 States, Dick [Richard Growald, United Press International]. We don't have any regional strategy. I have said repeatedly that I expect to run a national campaign, and that certainly infers that we want support from the South; we want support from the other regions throughout the country.

Q. Do you think you can win without a good hunk of the South?

THE PRESIDENT. As I said, we want Southern support, and I think we will get Southern support, and that will contribute to our victory in November.

SELECTION OF VICE-PRESIDENTIAL CANDIDATE

[14.] Q. Mr. President, Jimmy Carter has been holding auditions for a running mate. Do you have a plan to do anything like that?

THE PRESIDENT. I think I know most of the people that are among those that we know would be a potential running mate. I am sure that I will have consultations, but we haven't set out any specific routine for it.

Q. Do you anticipate public announcements of people coming in for briefing sessions?

THE PRESIDENT. I don't anticipate that kind of a routine, so to speak. As I said, I know all of the people quite intimately. I know their records. I know what they believe in. So I don't have to go through that experience such as Governor Carter is going through, because I don't think he knows some of these people that he is considering as well as I know all of the potential Republican running mates.

Q. Mr. President, I got the impression from what you said to Phil Jones that you might still be seriously considering throwing that choice open to the convention, or at least giving them a list of names. Are you seriously contemplating doing that?

THE PRESIDENT. I didn't mean to infer the conclusion you came to. I simply said that we have not made any firm commitment as to what procedure we would take at the time of the convention. I think a Presidential nominee ought to make his wishes known to the delegates. How he proceeds after that, we just haven't made a final decision on it.

FATHER-SON/MOTHER-DAUGHTER EVENTS

[15.] Q. Mr. President, in light of your expressed displeasure over the decision by HEW regarding father-son/mother-daughter breakfasts, have you given any thought to perhaps curtailing the powers of the Office for Civil Rights in that Department?

THE PRESIDENT. We haven't given any thought to the curtailing of their overall responsibility. But as President I have a responsibility to review any decisions that they make, and when I saw that decision I was shocked—I go a little stronger than Ron reported yesterday—and I took immediate action because I think that was a very wrong decision. And if there are other decisions that I disagree with in the future, I will exercise my Presidential prerogative to suspend them or to change them. They have a responsibility to carry out what they think is the right determination, but if I disagree, I will certainly take affirmative action in the future, as I did in this case.

WHOLESALE PRICE INDEX STATISTICS

[16.] Q. Your reaction to the WPI figures, sir?

THE PRESIDENT. I think those WPI figures of .4 percent fall within the guidelines that we have established. If you annualize that figure, it is less than 5 percent, so it's within the overall expectations that we have for wholesale prices.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[17.] Q. Mr. President, after you have, through this campaign, made some rather harsh observations about Ronald Reagan, how could you seriously consider him as your running mate, a man who could become the President? You have had some pretty tough things to say about him. I can't quite see how you could possibly consider him, if you feel that way.

THE PRESIDENT. I think we all have to understand in a very controversial political campaign you make a point, and sometimes with some political license. We have done that historically in this country. We can go back to the days of President Kennedy and the then Vice President Johnson. No one under any circumstances would have foreseen that that team would end up representing the Democratic Party.

All I am saying is that when you take a look at all of the Republican potentials, including Ronald Reagan, I think they all ought to be included for consideration.

Q. But would it be fair to say that you certainly wouldn't be as comfortable with Ronald Reagan as some others?

THE PRESIDENT. Phil [Phil Jones, CBS News], I am not going to get into de-

grees of comfort—[*laughter*—with potential Republican candidates. When I pick that candidate, I expect him to be a good running mate and a good Vice President.

Q. But you said there are no retakes in the Oval Office, indicating that he doesn't have the experience to handle this office. And it just seems that you feel, or have indicated, that he is not qualified to be President.

THE PRESIDENT. I think when we pick the candidate, he will be a qualified person to be Vice President.

HEALTH OF BETTY FORD AND PAT NIXON

[18.] Q. What can you tell us this morning about the health of Mrs. Ford? Is she feeling all right? Also, have you been in touch with the Nixon family about the former First Lady?

THE PRESIDENT. Mrs. Ford came down with a very bad cold yesterday following the church services at the [Washington National] Cathedral. She had a good night. She is going to take it easy for a day or so, and there is no concern, just a typical cold.

I stopped and saw Dr. Lukash² when I came to the office this morning. He had not gotten any overnight reports on the condition of Mrs. Nixon. He is going to report to me as soon as he gets any information from her doctor.

CONVERSATION WITH FORMER PRESIDENT NIXON

[19.] Q. Did you speak to President Nixon?

THE PRESIDENT. I called President Nixon.

Q. Can you tell us something of what he told you?

THE PRESIDENT. Well, he reported the sequence more or less as they have been reported in the press. I extended to him on behalf of Betty and myself our affection and best wishes for Mrs. Nixon's full and complete recovery.

Q. Did you talk about politics?

THE PRESIDENT. Not at all.

REPUBLICAN NATIONAL COMMITTEE

[20.] Q. Mr. President, as I understand it, the Republican National Committee is supposed to be neutral until there is a nominee. Am I correct in that assumption?

THE PRESIDENT. That is a valid assumption.

² Rear Adm. William M. Lukash, Physician to the President.

Q. Thank you. Now then, why is Mrs. Smith [Mary Louise Smith, chairman, Republican National Committee] going to the convention as a Ford delegate?

THE PRESIDENT. Because she has an opportunity, like any other citizen of this country, to run and express her personal views. She is running the national committee on a very nonpartisan basis between my opponent and myself.

CONSTRUCTION OF TRANS-CANADA GAS PIPELINE

[21.] Q. Mr. President, could we talk about the Alaska pipeline another time? You are from the Middle West, and when the pipeline act was passed in Congress——

THE PRESIDENT. I voted for it.

Q. Okay. There was quite a debate, though, about building a trans-Canada pipeline that would deliver oil to the Middle West where it is needed. There is still talk about that, and, in fact, there is some legislation. Would you support legislation to build a pipeline from Valdez [Alaska] across Canada to the Middle West?

THE PRESIDENT. I don't believe that is an active possibility. I think you are referring to the possibility of a gas pipeline——

Q. They were going to double-truck it, apparently.

THE PRESIDENT.—from northern Canada or northern Alaska to the Middle West as one of several alternatives. There are other alternatives that would involve bringing the gas down to the Gulf of Alaska. That matter is before the Federal Power Commission at the present time. It is also before—in one way or another—before the comparable agency in the Canadian Government. There is legislation that is being sponsored which I think is good legislation, that would expedite the determination as to which route is the preferable one. It would be legislation much like that which was approved for the delivery of Alaskan oil. If that gas is badly needed in the United States—and I am not saying on the West Coast or the Middle West—but I think a decision has to be expedited. And so I would favor such legislation which would expedite the determination by the proper authorities as to which route was the better of the two or which is the best, if there are more than two.

SALT TALKS

[22.] Q. Mr. President, since this is an election year, I wonder if you think there is not much chance of any startling developments in the area of foreign affairs, such as a SALT agreement or MBFR, or in any other area? Do you think it is very difficult to conduct negotiations at a time when frankly the occupancy

of the White House is going to be uncertain for next year? Are we sort of at a standstill for the rest of the year in foreign affairs?

THE PRESIDENT. I have said specifically, as far as SALT is concerned, if we can get a good agreement I will make that agreement regardless of any political consequences. We are in the process of thoroughly analyzing our last proposal, the Soviet Union's reaction or last proposal. And if we can move forward on a good SALT agreement, I certainly will push for it, because I think it is in the national interest and in the best interest of mankind as a whole. So, politics won't enter into any decision as far as SALT is concerned. I know of no other major areas that would have any political consideration as far as foreign policy.

Q. How about the SALT agreement?

THE PRESIDENT. I intend to push for it. I am not passing judgment as to whether it will come or won't come, but we are working on it, and I intend to push it. Whether we can achieve an agreement or not is uncertain. But it is in the best interest of the United States and mankind as a whole if we can get the right agreement. And I will do it regardless of the political atmosphere that may prevail here because of our election.

RONALD REAGAN

[23.] Q. Mr. President, can we pin something down? Is Ronald Reagan qualified to be President?

THE PRESIDENT. I said the person I select for the Vice Presidency will be qualified, and I don't exclude anybody.

Q. Therefore, he is qualified?

THE PRESIDENT. That's a fair conclusion—[*laughter*]*—*if he is the nominee.
[*Laughter*]

PRESIDENT FORD COMMITTEE

[24.] Q. Mr. President, are you satisfied with the way your campaign committee has performed through the primary and convention State season? And after the convention, do you foresee at this point a substantial reorganization of your campaign?

THE PRESIDENT. I don't see any substantial reorganization. I have said, through Ron and otherwise, that Rog Morton is going to stay on. We intend to add people to the top echelon over there as the need arises for particular jobs that must be handled, such as the convention, such as other responsibilities. I see no anticipated major reorganization. Like any other organization, you look back in retrospect as a Monday morning quarterback—you might have done a little better here and there. But I think the President Ford Committee, considering all the problems, has done a good job.

Q. Do you want Stu Spencer³ to stay on?

THE PRESIDENT. I certainly do. I think Stu Spencer is an extremely able person. He has done a good job.

SUPREME COURT DECISION ON THE DEATH PENALTY

[25.] Q. Mr. President, what was your reaction to the Supreme Court's decisions on the death penalty, and do you approve of the way they are going now?

THE PRESIDENT. I have stated on a number of occasions I support the death penalty at the Federal level for espionage, treason, et cetera. I support the death penalty for the kind of crimes that involve murder, et cetera. I support the direction in which the Supreme Court is going.

REPUBLICAN PRESIDENTIAL CANDIDATE IN 1980

[26.] Q. Mr. President, one more question on Mr. Reagan, if you don't mind. At the end of your coming term—I presume that you are going to be elected—Mr. Reagan will be 70 years old. Do you still think he would be qualified at that time to replace you as President?

THE PRESIDENT. I would not speculate as to who the Republican candidate might be in 1980.

Q. It has become a custom for the Vice President to sort of—

THE PRESIDENT. I can only say I don't intend to be the candidate in 1980. [*Laughter*] But I expect to be the nominee in 1976, and I expect to hold office until January 20, 1981.

PRESIDENT FORD'S CONTACT WITH CONVENTION DELEGATES

[27.] Q. Mr. President, to what extent do you personally get on the telephone and call delegates?

THE PRESIDENT. I do it occasionally.

Q. Well, once a night? Twice a night?

THE PRESIDENT. I don't keep a poll of it or a count, but I like to talk to people.

Q. What do you say to them?

THE PRESIDENT. Well, I thank them for their interest in the political system. I thank them that they are actively participating, and I compliment them on the job that I know they will do in Kansas City.

MR. CORMIER. Thank you, Mr. President.

NOTE: President Ford's thirty-fourth news conference was held at 12:10 p.m. on Friday, July 9, 1976, in the Oval Office at the White House.

³ Deputy campaign chairman of the President Ford Committee.

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